CITY OF ALAMEDA • CALIFORNIA

SPECIAL MEETING OF THE CITY COUNCIL
WEDNESDAY - - - JULY 7, 2010 - - - 6:00 P.M.

Location: City Council Chambers Conference Room, City Hall, corner of Santa Clara Avenue and Oak Street

Agenda:

1. Roll Call – City Council

2. Public Comment on Agenda Items Only

   Anyone wishing to address the Council on agenda items only, may speak for a maximum of 3 minutes per item

3. Adjournment to Closed Session to consider:

3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 2221 Harbor Bay Parkway

Negotiating parties: City of Alameda and SRM Associates

Under negotiation: Price and terms

3-B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (54956.9)

Name of case: Collins v. City of Alameda (Boatworks)

4. Announcement of Action Taken in Closed Session, if any

5. Adjournment – City Council

Beverly Johnson, Mayor

AGENDA

Regular Meeting of the Governing Body of the
Alameda Reuse and Redevelopment Authority
****

Alameda City Hall
Council Chamber, Room 390
2263 Santa Clara Avenue
Alameda, CA 94501

Wednesday, July 7, 2010
Meeting will begin at 7:00 p.m.

1. ROLL CALL - ARRA

2. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Board or a member of the public.

2-A. Responses to Questions Posed by the ARRA Board at the May 6th, 2010 Special ARRA Meeting Regarding the United States Navy's Environmental Program at Alameda Point.

3. REGULAR AGENDA ITEMS

3-A. None.

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative
- Highlights of June 3 Alameda Point RAB Meeting

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

6. COMMUNICATIONS FROM THE GOVERNING BODY

7. ADJOURNMENT

This meeting will be cablecast live on channel 15.

Notes:
- Sign language interpreters will be available on request. Please contact the ARRA Secretary at 747-4800 at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disabilities (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audio tapes of the meeting are available for review at the ARRA offices upon request.

CITY OF ALAMEDA • CALIFORNIA

REGULAR MEETING OF THE ALAMEDA PUBLIC FINANCING AUTHORITY (APFA)
WEDNESDAY - - - JULY 7, 2010 - - - 7:01 P.M.

Location: Council Chambers, City Hall, corner of Santa Clara Avenue and Oak Street

Public Participation
Anyone wishing to address the Board on agenda items or business introduced by Board Members may speak for a maximum of 3 minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Assistant City Clerk if you wish to speak on an agenda item.

1. Roll Call - APFA

2. Agenda Items

   None

3. Oral Communications (Public Comment)

   Any person may address the Board in regard to any matter over which the Board has jurisdiction or of which it may take cognizance that is not on the agenda

4. Board Communications (Communications from the Board)

5. Adjournment - APFA

CITY OF ALAMEDA • CALIFORNIA

SPECIAL JOINT MEETING OF THE CITY COUNCIL AND
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA), AND
COMMUNITY IMPROVEMENT COMMISSION (CIC)
WEDNESDAY - - - JULY 7, 2010 - - - 7:02 P.M.

Location: City Council Chambers, City Hall, corner of Santa Clara Ave and Oak Street

Public Participation
Anyone wishing to address the Council/Board/Commission on agenda items or business introduced by the Council/Board/Commission may speak for a maximum of 3 minutes per agenda item when the subject is before the Council/Board/Commission. Please file a speaker's slip with the Assistant City Clerk if you wish to speak.

1. ROLL CALL - City Council, ARRA, CIC

2. MINUTES

2-A. Minutes of the Special Joint City Council, ARRA and CIC Meeting held on June 1, 2010; and the Special Joint City Council and CIC Meeting and the Special Joint City Council, ARRA and CIC Meeting held on June 15, 2010. **[City Council, ARRA, CIC]** (City Clerk)

3. CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

3-A. Semimonthly Update on SunCal Negotiations **[City Council, ARRA, CIC]**

3-B. Presentation on SunCal Modified Optional Entitlement Application **[City Council, ARRA, CIC]**

4. AGENDA ITEMS

None

5. ADJOURNMENT - City Council, ARRA, CIC

Beverly Johnson, Mayor
Chair, ARRA and CIC

Alameda Reuse and Redevelopment Authority

Memorandum

To: Honorable Chair and
Members of the Alameda Reuse and Redevelopment Authority

From: Ann Marie Gallant
Interim Executive Director

Date: July 7, 2010

Re: Responses to Questions Posed by the ARRA Board at the May 6th, 2010 Special ARRA Meeting Regarding the United States Navy's Environmental Program at Alameda Point

BACKGROUND

On May 6, 2010, at a special ARRA meeting, the U.S. Navy Base Realignment and Closure Program Management Office (BRAC PMO) presented its environmental program at Alameda Point to the ARRA Board. During that meeting, three questions were posed that required follow-up responses:

How are the funds administered? ARRA looks for opportunities for Federal funding for further cleanup. Is the Navy already receiving that funding or do you receive your allocations through Congressional authorizations?

What is the status of the transfer process of cleaned VA lands? Has the Navy and the VA reached a basic deal? What is the status of the "clean" lands?

Is the estimate of approximately $100 million for the remediation of Site 2 correct?

DISCUSSION

The questions posed were researched by the Navy's BRAC PMO and addressed in a May 25, 2010 letter, attached.

FINANCIAL IMPACT

There is no financial impact as a result of this action.

Agenda Item #2-A
ARRA
07-07-2010

RECOMMENDATION

This report is for information only.

Respectfully submitted,

Jennifer Ott
Deputy City Manager

JO:dl

Attachment:
1. Letter from the Department of the Navy

DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1455 FRAZEE RD, SUITE 900
SAN DIEGO, CA 92108-4310

Ser BPMOW.DR\0543

MAY 25 2010

Ms. Jennifer Ott
Alameda City Hall
2263 Santa Clara Avenue
Alameda, CA 94501

Dear Ms. Ott:

SUBJECT: RESPONSES TO QUESTIONS POSED BY THE ARRA BOARD AT THE MAY 6TH, 2010 PRESENTATION ABOUT THE NAVY EVIRONMENTAL PROGRAM AT ALAMEDA POINT

During the May 6th, 2010 presentation to the Alameda Reuse and Redevelopment Authority (ARRA) Board, three (3) questions were asked to the Navy representative that required follow-up responses. The Navy's responses to these questions are provided as follows:

Q: Councilmember Tam asked: I was trying to understand how the funds are administered because the ARRA looks at opportunities for Federal funding for further clean-up. Is the Navy already getting that funding? Or how do you get your allocations through congressional authorizations?

A: The Department of the Navy (Navy) Base Realignment and Closure Program Management Office (BRAC PMO) seeks Congressional appropriation for environmental cleanup at Alameda Point based on a multi-year planning process. On an annual basis, the BRAC PMO uses existing environmental information about the property to identify future funding requirements. For the past five years, the BRAC PMO has been successful in obtaining sufficient funding for the environmental cleanup program at Alameda Point.

Q: Councilmember Gilmore asked: What is the status of the transfer process of cleaned VA lands? Has the Navy and the VA reached a basic deal?

A: The Navy and the Department of Veterans Affairs (VA) are currently coordinating for the federal to federal transfer of approximately 549 acres of property located at the former runway area on the west end of Alameda Point. Since the VA submitted its formal request to acquire the property in November 2006, the Navy and VA have accomplished several key milestones. Those milestones include the negotiation of a draft Memorandum of Understanding (MOU), the initiation of a Section 7 consultation in compliance with the Endangered Species Act (ESA), and the scoping of an environmental planning report in compliance with the National Environmental Policy Act (NEPA). The next significant milestone the agencies intend to complete is the submittal of a joint Navy/VA Biological Assessment to the U.S. Fish and Wildlife Service in compliance with ESA, and the issuance of an Environmental Assessment in compliance with NEPA.

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Additionally, Councilmember Gilmore asked the status of the "clean" lands. While the property subject to the VA transfer include two Installation Restoration (IR) sites and a parcel-wide Site Inspection, it is important to note that the base closure law allows federal agencies to transfer properties to one another prior to the completion of the remedial actions. So to answer Councilmember Gilmore's question, while some portion of the lands are "clean" and some are still subject to additional remedial actions, the Navy intends to transfer all lands at one time. The Navy is currently attempting to comply with other regulatory requirements identified above (NEPA, Section 7, etc.).

With regards to the question about a "basic deal" the answer is essentially, yes. Future responsibilities of both agencies have been fundamentally agreed to in the draft MOU. Should the ARRA wish to understand the arrangements agreed to between the agencies, the Navy would be more than happy to provide a summary to the ARRA staff.

Q: Vice Chair deHaan asked if his estimate of approximately $100 million for the remediation of Site 2 was correct. Mr. Robinson stated that $100 million seems high, and is more likely $20 million - but will provide the current projection.

A: The current projections for Site 2 remediation include $19.2 million for the remedial action and $2.7 million for long-term monitoring after the remedial action is complete; for a total future expenditure of approximately $21.9 million on Site 2.

Please distribute this letter to the ARRA Board. If you have any further questions, feel free to contact me at (619) 532-0951.

Sincerely,

DEREK J. ROBINSON
BRAC Environmental Coordinator
By direction of the Director

Copy to:
Mr. Peter Russell
Russell Resources, Inc.
440 Nova Albion Way, Suite 1
San Rafael, CA 94903-3634

Ms. Leslie Little
Economic Development Director
City of Alameda
950 West Mall Square, Building 1
Alameda, CA 94501-7575

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MAY 25 2010

Blind copy to:
Derek J. Robinson
William McGinnis
Alan K. Lee
Amy Jo Hill
Diane Silva (3 copies)
X File
Read File
Serial File

Writer: D. Robinson, BPMOW.DR, 2-0951
Typist: B. Foster, BPMOW.BF, 2-0914, MD:\ RESPONSE TO ARRA QUESTIONS.DOC\
25 MAY 10

A3

Russell Resources, Inc.
environmental management

Alameda Point RAB Meeting on June 3, 2010
Highlights and Analysis

RAB members present: Dale Smith (Community Co-chair), George Humphreys, Joan Konrad, James Leach, Kurt Peterson, and Michael John Torrey.

DTSC's Dot Lofstrom announced that she is being promoted to another position within DTSC, and that this likely would be the last RAB meeting she attends. Several RAB members thanked Ms. Lofstrom for her contributions to the progress made with Alameda Point's cleanup during her tenure.

No formal RAB meeting will be held in July. However, on Saturday, July 17 at 9:00 am, the Navy will provide a two-hour tour of various Alameda Point remediation sites for RAB members and the general public.

Remediation and other field work in progress:

- Except for a 50-foot segment under an electrical substation, the Navy has completed removal and replacement of several radioactively contaminated storm drain lines originating at Buildings 5 and 400. These lines discharge into Seaplane Lagoon, and the work had to be completed before dredging of contaminated sediment from the lagoon, which is scheduled to take place between January and March 2011.
- Active subsurface groundwater treatment is tentatively complete at IR Site 14, along the Oakland Inner Harbor in Northwest Territories. At IR Site 27, just north of Pier 1, a third phase of active groundwater treatment will occur in May 2011. Active groundwater treatment was just completed at IR Site 6, near the corner of West Tower Avenue and Ferry Point, and is beginning anew at IR Site 16, in the southeast corner of the base.
- The air sparge/vapor extraction system to treat groundwater contaminated with benzene and naphthalene at Alameda Point OU-5 and FISCA IR Site 2 is operating.
- The principal part of the petroleum-contaminated groundwater treatment operation near the Atlantic Avenue entrance is completed. Later this summer, further groundwater treatment will be conducted in a small area near Orion Street where higher petroleum levels persist.
- The Navy has completed pre-dredge sediment sampling of the Seaplane Lagoon in preparation for its remediation. In conjunction with this sampling, sediment samples were collected near storm drain outfalls into Seaplane Lagoon and Oakland Inner Harbor that drain the vicinity of Buildings 5 and 400. Except for the Oakland Inner Harbor's sample results, all sample analyzes have been presented to the BCT.
- Cleanup of soil and groundwater contaminated with copper at IR Site 28, the former Todd Shipyard, near the ferry terminal on Oakland Inner Harbor, is being conducted through early July.

- Additional demolition of Building 459 (the former gas station at the corner of West Tower Avenue and Main Street) will occur in July to allow excavation of metals contaminated soil.

Basewide Radiological Investigations Update

The Navy's presentation consisted of a review of the status of radiological investigations at various sites: specifically, FED-1A and -2B (runways area to be transferred to VA), IR Site 1 (landfill in northwest corner of Alameda Point), IR Site 32 (area in runways immediately east of IR Site 1), IR Site 2 (landfill in southwest corner of Alameda Point), the storm drains removal associated with Buildings 5 and 400, IR Site 17 (Seaplane Lagoon), and the basewide radiological surveys. The last of these investigations involves thorough scanning of several buildings that have some historical involvement with handling radiological materials. For most of these, no radiological contamination is expected, but it has yet to be ruled out. RAB members expressed concern that the basewide radiological survey addresses only buildings with historical radiological activities and does not deal with other areas where undocumented radiological material releases may have occurred. The west shoreline of Seaplane Lagoon was offered as an example. EPA's Anna-Marie Cook floated the idea that the RAB might convene a work group to nominate areas for the Navy to investigate for radiological contamination, but that are missed by the current plan. If the Navy were to make funding available for this purpose, the RAB's prioritization of sites could guide the effort. The Navy did not comment on Ms. Cook's idea.

Operable Unit 1 Remedial Action Update

Except for minor soil contamination remaining at IR Site 7, remediation of soil in OU-1 is complete. The major remaining task for OU-1 is in situ treatment of groundwater at IR Site 16, in the southeast corner of the base, which is contaminated with chlorinated solvents.

RAB Member's Reports

RAB Member George Humphreys presented two technical reports to the RAB. The first, which deals with basewide radiological contamination, correlates the timing of fill events that formed Alameda Point with periods during which radiological materials were handled at the base. An aim of this exercise is to suggest areas of the base that are more or less likely to have radiological soil contamination due to filling with radiologically contaminated dredge spoils. Mr. Humphreys' other report deals with various aspects of the benzene/naphthalene groundwater plume at Alameda Point OU-5 and FISCA IR Site 2. The Navy thanked Mr. Humphreys for his work in researching and preparing the technical reports. It is very unusual for a RAB member to prepare technical reports for presentation at a RAB meeting.

UNAPPROVED

MINUTES OF THE SPECIAL JOINT CITY COUNCIL, ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA), AND COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -JUNE 1, 2010- -7:01 P.M.

Mayor/Chair Johnson convened the meeting at 7:27 p.m.

ROLL CALL - Present: Councilmembers/ Board Members/ Commissioners deHaan, Gilmore, Matarrese, Tam, and Mayor/Chair Johnson.

Absent: None.

CONSENT CALENDAR

Councilmember/Board Member/Commissioner Matarrese moved approval of the Consent Calendar.

Councilmember/Board Member/Commissioner Tam seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*10-268 CC/ARRA/10-36 CIC) Minutes of the Special ARRA Meeting on May 6, 2010 and the Special Joint City Council, ARRA and CIC Meeting Held on May 18, 2010. Approved.

(*ARRA/10-37 CIC) Recommendation to Award a Five-Year Contract for Professional Audit Services for the Community Improvement Commission and the Alameda Reuse and Redevelopment Authority for Fiscal Years Ending June 30, 2010 through June 30, 2014 to Caporicci & Larson. Accepted.

(*ARRA) Recommendation to Authorize Negotiation and Execution of a Sublease for Dreyfuss Capital Partners, Building 29, at Alameda Point. Accepted.

(*ARRA) Recommendation to Authorize Approval of a Sublease for Point Source Power, Building 7, at Alameda Point. Accepted.

CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

(10-269 CC/ARRA/10-38 CIC) Semimonthly Update on SunCal Negotiations

The Deputy City Manager – Development Services provided a handout and gave a brief presentation.

Councilmember/Board Member/Commissioner Tam inquired whether the City has received any indication from the Navy regarding whether the Navy would convey the land in phases and whether the issue would be related to funding issues.

The Deputy City Manager - Development Services responded the City has made some assumptions as to what the Navy would do; detailed conversations have not taken place; the Navy is motivated to convey the land.

Councilmember/Board Member/Commissioner Tam inquired what assumptions the City would like to see with respect to phasing.

The Deputy City Manager - Development Services responded a couple issues in Phases 1 and 2 need to be resolved; stated Phases 3, 4, and 5 do not have significant issues; in general, the news is good.

In response to Councilmember/Board Member/Commissioner Tam's inquiry, the Deputy City Manager - Development Services responded the pro forma assumes that the land would be taken down in 2012, with pads being sold in 2014 which is consistent with the clean up schedule, except for a couple of exceptions in Phases 1 and 2.

Councilmember/Board Member/Commissioner Tam inquired whether the City assumes that the Navy would want funding all at once when Phase 1 is completed and conveyed.

The Deputy City Manager - Development Services responded land payments have been discussed; stated payment timing has not been discussed.

Councilmember/Board Member/Commissioner Gilmore inquired whether staff has discussed money with the Navy and how and when the Navy wants to be paid.

The Deputy City Manager - Development Services responded staff has talked to the Navy regarding the Measure B plan; stated the Navy did not follow up after the initiative failed; the Navy stated that it has subsequent questions; conversations focused on SunCal's ability to guarantee payments; the Navy has questions regarding whether payments would be deferred, whether SunCal and D.E. Shaw would be capable of making payments, and what assurances the Navy would have regarding secured payments.

Councilmember/Board Member/Commissioner Gilmore inquired whether the Navy has indicated whether it would be interested in some number other than the $108.5 million.

The Deputy City Manager - Development Services responded in the negative; stated SunCal has made statements to the Navy regarding willingness to pay what is shown in the project pro forma; terms are not clear; the Navy will not have conversations with

SunCal until the City okays the discussion.

Councilmember/Board Member/Commissioner Gilmore inquired whether the Navy has indicated that it is not resistant to being paid over time.

The Deputy City Manager - Development Services responded the Navy prefers up front payment and is willing to consider back end participation because of the Defense Authorization Bill passed last October; the Navy's concern is how it knows it would be paid.

Councilmember/Board Member/Commissioner deHaan stated ARRA and SunCal have pledged openness; inquired whether the Navy has signed onto openness.

The Deputy City Manager - Development Services responded the Navy is a public agency; stated that she will ask the Navy about the matter.

Councilmember/Board Member/Commissioner deHaan stated the threshold for 1,100 individual homes was $666,000 per home; the Navy has not asked for more than $108.5 million with additional homes.

The Deputy City Manager - Development Services stated to date, the Navy has not asked for more than $108.5 million but has not stated that it is willing to accept $108.5 million; the $108.5 million does not include Phases 4 and 5.

Councilmember/Board Member/Commissioner deHaan stated the proposal includes the northern territory.

The Deputy City Manager - Development Services stated details have not been worked out.

Mayor/Chair Johnson stated that she recalls that the Navy bases its number on a land value formula.

The Deputy City Manager - Development Services stated the Navy hires an economic consultant; the consultant looks at the pro forma; $108.5 million is for the 1,800 Preliminary Development Concept (PDC) project; market changes have been significant.

Stan Brown, SunCal, stated confusion has involved the application versus the density bonus option plan; SunCal believes addressing issues on the application is appropriate; SunCal has expressed a desire to move toward a transit oriented plan; SunCal will continue to be responsive to questions throughout the eighteen-month to two-year process to complete the Environmental Impact Report; SunCal does not want to confuse openness with what is in the letter.

AGENDA ITEMS

(10-39 CIC) Public Hearing to Consider Adoption of Resolution Approving and Adopting the Five-Year Implementation Plan for the Business and Waterfront and West End Community Improvement Projects for Fiscal Year 2009 through 2010 and Fiscal Year 2013 through 2014. Continued to June 15, 2010.

(10-270 CC/ARRA/10-40 CIC) Recommendation to: (1) Direct Planning Board to Provide Advisory Recommendation on SunCal Modified Optional Entitlement Application at June 21, 2010 Meeting, and (2) Set Public Hearing for Decision on SunCal Modified Optional Entitlement Application and/or Extension of the Exclusive Negotiation Agreement from Governing Bodies of Alameda by July 20, 2010.

The Deputy City Manager – Development Services gave a brief presentation.

Councilmember/Board Member/Commissioner Matarrese inquired whether milestone documents would be public upon submission, to which the Deputy City Manager – Development Services responded in the affirmative.

Speakers: Jean Sweeney, Alameda; Jim Sweeney, Alameda; Jon Spangler, Alameda; William Smith, Alameda.

Stan Brown, SunCal, gave a Power Point presentation; stated that he disagrees with large elements of the staff report; the major issue he would discuss is the assertion that SunCal has used overly aggressive or optimistic assumptions in developing its pro forma; if the recommendations of City staff and Economic & Planning Systems (EPS) are adopted, there would be substantial degradation to the project pro forma to the extent that the project may become financially infeasible; long range forecasting of project pro formas is difficult; assumption analysis needs to be based upon a clear understanding of industry business practices and a commitment to keep apples to apples comparisons; SunCal believes an apples to oranges comparison has gone on; the staff report identifies a number of differences between SunCal's estimates on various parameters and EPS's recommendations; EPS estimates $860,000 and SunCal estimates $1,042,000 for single family home sales in the year 2014, which is a 21% difference in value; the EPS study put historical sales prices in Alameda into two buckets: 1) single family and 2) all housing, including condominiums, townhouses, duplexes and single family homes; EPS came up with $582,000 for a 1600 square foot house contrasted with SunCal's $900,000 for a 2500 square foot house; house size has a material effect on the sale price of a home; EPS's real price growth of 2% raises the price to $630,000; then, EPS applied a 1.22 factor higher sales price for Alameda Point to come up with a projection of $769,000; a 3% annual inflation rate reaches a nominal real price of $862,000; the problem with the analysis is that EPS is confusing the buckets and comparing a 1600 square foot house to a 2500 square foot house; the

value per square foot of the $860,000 1600 square foot home is $539 per square foot; $593 per square foot for a 2500 square foot house ends up with a house priced at $1,347,000; EPS started with the all residential bucket at $582,000, as opposed to the single family bucket at $666,000, which ends up with a price of $1,462,000 for a 2500 square foot single family house using the EPS methodology; EPS estimates that the average premiums at Alameda Point to be 1% of sale price; the SunCal estimate is 6.4%; explained the basis for SunCal's estimate; stated SunCal disagrees with the 1%; regarding absorption, SunCal is not opposed to changing to the City and EPS's recommendation; if the City wants to take a slower absorption, it is fine with SunCal; for single family construction costs, SunCal estimates $115 versus EPS's estimate of $130; explained the basis for SunCal's estimate; further stated another area that has been discussed is what should be anticipated as the real growth in home prices over time; SunCal's pro forma includes 2% starting in 2012; ESP recommends 1.4%; both sides have gone back and forth over the analysis; long term construction cost trends range from -0.7% to 0.5%; SunCal included a 0% real price growth; all of SunCal's prices are increased by CPI throughout the term of the project; there have been some clear mistakes in the EPS methodology as to price; EPS's premium analysis is simple; SunCal has done a lot more research on direct construction costs; regarding SunCal's Albuquerque, New Mexico project with D.E. Shaw being put into bankruptcy, it is fair to say any large real estate player, particularly in residential, has struggled in the past several years; assets have gone through a devaluation; SunCal and its partners have been severely hurt; in the Albuquerque example, $180 million in D.E. Shaw and SunCal's combined equity is in danger of being lost, which is an unfortunate circumstance that is part of the price and risk of working in development; the good news is D.E. Shaw continues to invest along side of SunCal and to express faith that SunCal will go forward, as evidenced by the continuing investment in the Alameda process in terms of the millions of dollars spent to date; SunCal would like to complete the process; a project that the Council, Planning Board, citizens, D.E. Shaw and SunCal could be proud of will be presented to Council for consideration in the next 18 months to two years; SunCal looks forward to the opportunity to complete the process.

Councilmember/Board Member/Commissioner Tam stated the question is whether there would be sufficient funding to pay for public amenities and community benefits envisioned in the Master Plan; the answer is yes as demonstrated by two EPS pro formas delivered to the City on April 8th and April 26th; the density bonus option pro forma was sent to the Deputy City Manager - Development Services on April 26, 2010; inquired whether the pro forma was incorporated in the staff report.

The Deputy City Manager - Development Services responded the pro forma is an attachment to tonight's staff report.

Councilmember/Board Member/Commissioner Tam inquired why staff has a different conclusion than SunCal regarding the density bonus option pro forma relating to payment of public amenities.

The Deputy City Manager - Development Services responded SunCal was responding to the April 20th letter; stated comments are now being reviewed on the letter sent six weeks ago; the City did not have the density bonus pro forma at the time the April 20th letter was sent.

Councilmember/Board Member/Commissioner Tam stated the staff report seems to be contradictory to the statement that there would be sufficient funds to pay for public amenities and community benefits.

The Deputy City Manager - Development Services stated staff believes the assumptions are overly aggressive and questions whether the project could support the public benefits and transportation improvements; staff has come to a different conclusion than SunCal.

Councilmember/Board Member/Commissioner Tam stated that Mr. Brown has stated that there are inconsistencies in the staff analysis of EPS projections; inquired whether staff still has the same conclusions.

The Deputy City Manager - Development Services responded in the affirmative; stated staff has discussed the issues with SunCal; that she would be happy to have EPS discuss the analysis; the big picture is that there are five to seven key assumptions that significantly affect the bottom line of the pro forma; SunCal's assumption are overly optimistic.

Councilmember/Board Member/Commissioner Tam stated that she does not understand why SunCal's assumptions are considered overly optimistic in light of the requirements for having a project labor agreement and information on builder cost surveys that occurred in May, 2010.

Jim Musbach, EPS, stated EPS has been reviewing the pro forma; an independent market analysis was performed; all [SunCal] assumptions skew towards the optimistic; returns are overstated and project risk is understated; SunCal's analysis is inconsistent and is intended to paint a picture that is not supported by evidence; assuming 450 units per year versus 350 units would have a significant impact on the Internal Rate of Return (IRR); SunCal does not defend the suitability of the 14.7% IRR under the Measure A compliant project; funding public amenities and community benefits has risks; EPS calculated a premium of 22% for the area; the calculated premium would be less by starting with just single-family homes; the land values keep escalating and is a red flag and far beyond other projects; improved land values as a percentage of unit prices range from 15% to 25%; SunCal's land values are over 50% of unit value; SunCal ends up with 2% appreciation compounded year after year which all falls to the land value which means there is no escalation in construction costs and the land captures all of the value on the upside, which is not true; EPS does not see $1 million dollar houses being

built for $105 per square foot; there is no evidence in today's market that land values are $2.5 million to $7.7 million per acre; comps suggest between $2 million and $5 million; EPS requested information that would substantiate land prices as a percent of unit prices; SunCal provide one comp from southern California; EPS believes the combination of assumptions is overly optimistic.

Councilmember/Board Member/Commissioner Matarrese requested clarification on Mr. Brown's comments regarding EPS's assumption of $860,000 for a small house versus $1.1 million house.

Mr. Musbach stated that he cannot make sense of the issue; SunCal concludes that figures are lower than EPS by applying the average pricing across all product types, which is not legitimate.

Councilmember/Board Member/Commissioner Matarrese stated that he needs an answer regarding whether or not numbers are real; back calculating the cost per square foot of an $860,000 house results in a $1.4 million house instead of a $1 million house; requested clarification of the matter.

The Deputy City Manager - Development Services responded a more detailed analysis would be provided.

Mr. Musbach stated per square foot costs obscure house size and quality differences; bigger houses will have lower per square foot prices.

Councilmember/Board Member/Commissioner Tam stated the project would never pencil out by looking at just single-family homes; the Measure A compliant plan would not be financially feasible because it would not support the level of public amenities called for in the Master Plan; the Master Plan calculations were across all different housing types.

Mr. Musbach stated EPS took all homes prices in Alameda and looked at that relative to Bayport; Bayport homes command a premium of 22%; EPS could have started with a single-family home and ended up with a smaller differential premium of 10% or 15%; EPS forecasted home prices in Alameda as a whole and then applied the premium to get an estimate of what the cost for what single-family homes are for Alameda; SunCal's argument is that since EPS started with a number for all housing that is for sale, then EPS should compare that price to SunCal's average price across all product types in the project, which includes townhouses and condominiums, which drops SunCal's average price way down.

The Deputy City Manager - Development Services stated the Bayport premium relates to the fact that it is new construction and predominately single-family homes.

Councilmember/Board Member/Commissioner Tam stated EPS is stating that Bayport homes are currently listed for $375 per square foot; the assumption in the Optional Entitlement Agreement (OEA) is $360 per square foot.

Mr. Musbach stated that he cannot follow the numbers; the comparison is not apples to apples but is a trick to change the average number which is not accurate.

Councilmember/Board Member/Commissioner deHaan stated that he received the information [SunCal's Power Point] at 3:30 p.m. via email; things seem to be premature; SunCal and EPS need to sit down and have a discussion on the matter; EPS has worked with the City for thirteen years; neither SunCal or EPS understand what the City is going through; EPS should review issues and respond; tonight is not the time and place for discussion; the Power Point presentation is difficult to see; the pro forma has many other issues.

Councilmember/Board Member/Commissioner Gilmore stated that she is thoroughly confused; requested an apple to apple comparison for single-family homes and townhouses, stated that she wants SunCal and EPS to start at the same spot; if both parties end up in a different place, she wants to know where and why in plain English.

Councilmember/Board Member/Commissioner Matarrese stated the pro forma shows an IRR of 19% to 25%; the project would be spread over twenty years; inquired what PERS hopes to get on investments, to which the Deputy City Manager – Administrative Services responded 7.75%.

Councilmember/Board Member/Commissioner Matarrese stated the IRR is not an acceptable level.

Mayor/Chair Johnson state there have been discussions regarding conservative or aggressive assumptions; the real discussion is what would happen if there are not enough funds to pay for public improvements; questioned whether there would be enough money to pay for transportation solutions for 4,800 housing units and 4.5 million square feet of commercial development; said discussions are critical for a successful outcome; understanding the transit oriented nature of the development is important; having enough money to pay for transit solutions is critical.

Mr. Musbach stated the issue is how to secure that the risk is appropriate.

Councilmember/Board Member/Commissioner deHaan stated reverse engineering seems to be taking place; the project is totally different than the 1,700 housing unit project; understanding what is really sustainable is important; 4,800 housing units is hard to put into prospective.

Councilmember/Board Member/Commissioner Gilmore stated the key to any

development at Alameda Point is transit and traffic; the project will not be successful without transit and traffic solutions; job one is paying for transit solutions; the project will not be successful if there is not enough money to pay for transit solutions.

Councilmember/Board Member/Commissioner Matarrese stated the first recommendation in the staff report is to direct the Planning Board to provide an advisory recommendation on the OEA; that he has no faith that any amount of money would solve the issue of getting people who are in the 4,800 housing units on and off the island; having the Planning Board provide an advisory recommendation is important; financing can be reviewed in parallel because financing needs to be based on the project.

Councilmember/Board Member/Commissioner Gilmore inquired whether staff is assuming that SunCal would provide a complete application by the Planning Board meeting, to which the Deputy City Manager - Development Services responded in the negative.

Councilmember/Board Member/Commissioner Gilmore stated generally, the Planning Board provides a recommendation to Council based on a complete application; a work session or scoping session would take place if an application is incomplete; a formal vote would not be taken; a policy determination would be needed without a formal application; making a policy determination is the Council's job.

The Deputy City Manager - Development Services stated the application on file is not deemed complete yet; the matter is an advisory recommendation.

Councilmember/Board Member/Commissioner Tam inquired what the Planning Board would be reviewing if the application is incomplete.

The Planning Services Manager responded the application includes a General Plan amendment and rezoning for the property; stated Council cannot take action on entitlement without an advisory recommendation from the Planning Board; Council's action would be to either deny or not deny the request and let the process continue; staff wanted to provide Council with the option of extending or not extending the Exclusive Negotiating Agreement (ENA) or not given the timeframe of the ENA; staff thought it was important to get advice from the Planning Board before the hearing; having a completed application is not required in order to get the Planning Board's advice.

Councilmember/Board Member/Commissioner Gilmore inquired whether a Planning Board recommendation is required for General Plan amendments or rezoning, to which the Planning Services Manager responded in the affirmative.

Councilmember/Board Member/Commissioner Gilmore stated a determination cannot

be made without a completed application.

The City Attorney stated Planning Board action is required to approve a General Plan amendment or rezoning; action cannot be taken until an Environmental Impact Report (EIR) is completed; the application does not have to go to the Planning Board; however, going to the Planning Board affords another opportunity for community comment and Planning Board input.

Councilmember/Board Member/Commissioner deHaan stated that he understands that the Planning Board has not been provided with all the information; the Planning Board does not understand the total scope of the project; that he questions the need to go back to the Planning Board; too much information is missing.

The Planning Services Manager stated the matter is Council's call since there is no legal requirement for the application to go to the Planning Board.

Councilmember/Board Member/Commissioner Tam stated circling the matter back to the Planning Board may not have any value; that she does not feel there is enough financial information; she does not want to impose the issue on the Planning Board until financial information comes back in a more coherent form.

The Planning Services Manager stated the intention would not be to bring all the economics back to the Planning Board; the Planning Board would be focusing on planning issues.

Councilmember/Board Member/Commissioner Matarrese stated recommendations on land use and transportation plans would be valuable.

The Deputy City Manager - Development Services stated the Planning Board has some of the same questions regarding financial assurances.

Mayor/Chair Johnson stated the project might be starting out to big and maybe the EIR should be smaller; housing units and commercial square footage could be increased if the EIR shows that more capacity would be doable.

Councilmember/Board Member/Commissioner Gilmore stated the Planning Board was looking to Council for guidance; that she thinks the process is backwards.

Mayor/Chair Johnson stated that she does not have a strong opinion either way; the advantage would be to provide an opportunity for public input.

Councilmember/Board Member/Commissioner deHaan stated study after study has been done on transportation issues; today's traffic mitigations discussions are the same as three years ago but the project has increased three fold.

Councilmember/Board Member/Commissioner Tam stated that she does not recall PDC information on the WRT Solomon Transportation Study; inquired whether 1,700 homes would generate revenue to pay for transit solutions.

Councilmember/Board Member/Commissioner deHaan responded the issue is extremely questionable; stated more public amenities would be needed for more homes.

Councilmember/Board Member/Commissioner Tam stated that she thought the whole concept is to have people bike or walk to neighborhood amenities.

Councilmember/Board Member/Commissioner deHaan stated a transit oriented plan was used in the community use plan; the transit oriented community in the community use plan and the PDC were almost parallel; nothing has changed; building more homes is not the answer to transit solutions; Treasure Island is the king of less auto usage; Treasure Island residents use 1.8 autos per home.

Councilmember/Board Member/Commissioner Tam inquired what assumptions were made with respect to the ferry; stated the Alameda Point ferry terminal seems to be doing well and has an over 40% fare box recovery ratio.

Councilmember/Board Member/Commissioner deHaan responded Oakland contributes more of the ridership than Alameda; Oakland would lose its ferry service if the ferry was moved to the lagoon; inquired what is Oakland's fare box recovery ratio.

The Public Works Director responded the Alameda/Oakland Ferry Service fare box recovery ratio is approximately 58%; stated the Oakland connection helps Alameda mid day because of Oakland excursion riders; staff has a meeting on Thursday with the Water Emergency Transit Authority (WETA); WETA is wondering what will happen to the fare box recovery ratio and whether the ferry service would be viable if it is bifurcated from the Oakland connection and located at the seaplane lagoon.

Councilmember/Board Member/Commissioner deHaan stated the northeast corner lagoon location is a concern; the vessel would have to traverse the whole lagoon, which would take five minutes; the PDC relocated the ferry to one of the piers which changes having transit within a quarter mile of density.

The Public Works Director stated the matter was discussed at meetings [with SunCal]; the travel time through the seaplane lagoon would be approximately seven minutes each way; WETA's Interim Operating Plan (IOP) originally envisioned interlinking with the Harbor Bay Ferry Service; currently, the Harbor Bay Ferry Service travel time is 23 minutes, which would increase to 40 to 44 minutes due to the seaplane lagoon location.

Councilmember/Board Member/Commissioner Tam stated there has to be some type of development at Alameda Point in order to create a more robust ferry system; otherwise, there would not be any ridership; inquired what is the threshold to obtain new ridership, to which the Public Works Director responded a ten minute walk.

In response to Councilmember/Board Member/Commissioner Tam's inquiry, the Public Works Director responded SunCal has not provided ridership estimates; the developer normally provides the information.

Councilmember/Board Member/Commissioner deHaan stated the last study showed that 24% of Alamedans go to San Francisco; thoughts are that every ferry would move all masses to San Francisco, which is not the case.

The Public Works Director stated SunCal is proposing that more people would commute to San Francisco because SunCal's product would be more appealing to people who work in San Francisco; the ferry is only one part of the transportation proposal; the bus rapid transit would be in the later phase.

Councilmember/Board Member/Commissioner deHaan stated the PDC included the bus rapid transit; denser areas would provide an opportunity for more ridership; requested that all information be brought back; stated that he has not seen anything new.

The Public Works Director stated the City developed a preliminary traffic analysis for Measure B; the PDC did not have any traffic analysis but had ideas to sustain a transit oriented development; level of service analyses were not done; the first time a level of service analysis was done was in the Election Report and was very preliminary.

The Deputy City Manager - Development Services stated a lot of new studies have not been conducted in the last three years; the issue would be addressed with SunCal at Thursday's meeting; said discussion could be brought back at the next meeting.

Councilmember/Board Member/Commissioner Gilmore stated there still seems to be an issue regarding where the ferry terminal would be placed; transit solutions need to function as a whole; inquired how work can start on the rest of the transportation system when the ferry terminal location is unknown.

Mayor/Chair Johnson inquired whether the ferry would be part of the transit hub.

The Public Works Director responded in the affirmative; stated the ferry terminal would meet the bus rapid transit; the matter would be discussed with WETA.

In response to Mayor/Chair Johnson's inquiry, the Public Works Director stated SunCal has told the City where it wants the ferry terminal.

Mayor/Chair Johnson stated planning is needed.

The Public Works Director stated the matter is being fine-tuned.

Councilmember/Board Member/Commissioner Gilmore stated that she assumes there would be a similar process with AC Transit.

The Public Works Director stated a similar process would be done with AC Transit eventually.

Councilmember/Board Member/Commissioner Tam stated everything takes time; inquired whether there is enough time to gather information for the June 21st Planning Board Meeting.

The Public Works Director responded the exact ferry terminal location is less important than the idea of what to have; stated the traffic model would not be that sensitive and the Board could see how to interrelate transit and land development density.

Councilmember/Board Member/Commissioner Gilmore inquired whether the ferry terminal would be somewhere in the seaplane lagoon.

The Public Works Director responded the seaplane lagoon is being proposed; stated the proposal is a transit hub in the seaplane lagoon with a ferry terminal at the northeast corner; staff has had discussions with WETA regarding whether there will be enough ridership to bifurcate from Oakland and move the ferry to the seaplane lagoon; that he would like to discuss adding Harbor Bay; WETA only wants to take on new ferry service out of the seaplane lagoon if it is financially feasible and the ridership is there; otherwise, the ferry terminal would remain at the Main Street terminal; there would be shuttles from Alameda Point to the seaplane lagoon by the end of the 3rd phase.

In response to Councilmember/Board Member/Commissioner deHaan's inquiry, the Public Works Director responded WETA's boats accommodate 119 and 159 passengers.

Councilmember/Board Member/Commissioner deHaan stated other options need to be reviewed; other options are getting few and far between; today's generation will change employers many times; the vast majority of employees are in the south bay; Concord does not have any bus service; BART is available in Dublin but is limited in other areas; the City had three years of commitment; SunCal should have had the issue ironed out.

Mayor/Chair Johnson inquired whether the matter should be sent back to the Planning Board, the majority of Councilmembers/Board Members/Commissioners responded in the negative.

The Deputy City Manager - Development Services stated action is needed on the second item [Setting a Public Hearing for Decision on the SunCal Modified Optional Entitlement Application and/or Extension of the ENA from Governing Bodies of Alameda by July 20, 2010]; staff is looking at either July 6th or July 20th.

Councilmember/Board Member/Commissioner Matarrese stated that he is puzzled why the matter is being addressed tonight when an ARRA meeting was scheduled for tomorrow but was cancelled; monthly ARRA meetings need to be reestablished.

Councilmember/Board Member/Commissioner Matarrese moved approval of setting a Public Hearing on July 6th, 7th, or 20th to decide on the SunCal Modified OEA and/or extension of the ENA.

Councilmember/Board Member/Commissioner deHaan seconded the motion.

Under discussion, the Deputy City Manager - Development Services stated staff would come back with a recommendation on which date.

Councilmember/Board Member/Commissioner Matarrese stated that he prefers to have the public hearing at the regular July 7th ARRA meeting which would not conflict with Council business.

Councilmember/Board Member/Commissioner Tam inquired whether staff expects to have the submittal that occurred over the weekend, the determination of completeness, resolution of financial issues, and transportation plan issues available.

The Deputy City Manager - Development Services responded a definitive answer on the incompleteness [of the application] can be provided by June 15th; stated follow up on the financial information could be provided in the next two weeks; staff would be reporting back on transportation questions on June 15th.

Councilmember/Board Member/Commissioner deHaan stated the density bonus leaves a lot of question in his mind; 1,310 homes is low density; high density is 3,531; the project is not new development throughout but is adaptive reuse and infill; that he needs clarification on 29 areas on the reuse of the Batchelor's Enlisted Quarters (BEQ).

The Deputy City Manager - Development Services stated the total number of units would increase by 30%; density, in terms of the number of units per acre, occurs through a density bonus transfer; a density bonus plan cannot be achieved without the density bonus option and density transfer.

Councilmember/Board Member/Commissioner deHaan stated high density housing is outside the quarter mile and actually goes beyond the quarter mile; more homes would be outside the density corridor; provided a handout; stated the orange area is high

density and goes outside the quarter mile; inquired whether high density commercial is part of the equation.

The Planning Services Manager responded commercial is not part of the density bonus plan; stated the density bonus ordinance would not govern where SunCal chooses to put densities.

Councilmember/Board Member/Commissioner deHaan stated the red outline on page 4 shows high density residential and commercial; the blue line is the buffer zone; that he has never seen anything similar in Alameda.

Councilmember/Board Member/Commissioner Tam stated the WRT Study also analyzed a high range in density that was closer to SunCal's plan.

The Planning Services Manager stated the WRT Study looked at the PDC; the key to making the overall project work for the City is that the 4,200 unit project would have to develop and fund a very successful transportation plan that would work for the entire island; the only way to get people from the 4,200 housing units through the tube would be to have existing residents chose to participate [in a transportation program].

Councilmember/Board Member/Commissioner Tam inquired whether the WRT Study was commissioned by the City, to which the Planning Services Manager responded in the affirmative.

Councilmember/Board Member/Commissioner Tam stated that her comfort level would increase if she had more information before deciding what the date should be; inquired whether information could be provided by the next Council meeting, to which the Planning Services Manager responded in the affirmative.

The Deputy City Manager - Development Services stated staff would come back on June 15th with updates on the completeness of the application, financial issues, and transit oriented develop aspects.

Councilmember/Board Member/Commissioner Tam stated an update should be provided on the concept of density bonus and density transfer and how it works in light of the transit oriented development.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmember/Board Member/Commissioners deHaan, Gilmore, Matarrese, and Mayor/Chair Johnson – 4. Abstention: Councilmember/Board Member/Commissioner Tam – 1.

Councilmember/Board Member/Commissioner Tam stated that she needs more information before she is comfortable with setting a date.

ORAL REPORTS

(ARRA) Oral report from Member Councilmember/Board Member/Commissioner Matarrese, Restoration Advisory Board (RAB) representative - Highlights of May 6 Alameda Point RAB Meeting

Board Member Matarrese stated the Navy is nearing completion of the replacement and removal of several radio active storm drain lines that go from Buildings 5 and 400 to the seaplane lagoon; requested clarification on whether the new storm drains would meet current standards; stated a number of remediations are in place; nearly 75% completion of characterization is being approached; part of the clean up plan includes the former Todd Shipyard near the existing ferry terminal where copper is being removed, which is not all Navy contamination, but the Navy is paying for it.

ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the meeting at 10:55 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL CITY COUNCIL AND
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -JUNE 15, 2010- -5:00 P.M.

Mayor/Chair Johnson convened the meeting at 5:15 p.m.

Roll Call - Present: Councilmembers/Commissioners deHaan, Gilmore, Matarrese, Tam and Mayor/Chair Johnson – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(10- CC) Conference with Legal Counsel – Anticipated Litigation; Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; Number of cases: One.

(10- CC) Public Employee Performance Evaluation (54957); Title: City Attorney.

(10- CC) Conference with Legal Counsel – Anticipated Litigation; Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; Number of cases: One.

Following the Closed Session, the meeting was reconvened and Mayor/Chair Johnson announced that regarding Anticipated Litigation [paragraph no. 10-], Council received a briefing from its Legal Counsel; no action was taken; regarding City Attorney, Council directed the City Attorney to bring back her goals and objectives by the second meeting in September, 2010; no action was taken; and regarding Anticipated Litigation [paragraph no. 10-], Council received a briefing from Legal Counsel regarding a matter of potential litigation; no action was taken.

***

Mayor/Chair Johnson called a recess at 7:30 p.m. and reconvened the meeting at 1:30 a.m.

***

The meeting was adjourned to Closed Session to consider:

(10- CC) Conference with Legal Counsel – Anticipated Litigation; Initiation of litigation pursuant to subdivision (c) of Section 54956.9; Number of cases: One.

(10- CC/10- CIC) Conference with Real Property Negotiator; Property: 1590 and 1616 Fortmann Way; Negotiating Parties: Warmington Homes, City of Alameda and CIC; Under Negotiations: Price and terms.

Following the Closed Session, Mayor/Chair Johnson announced that regarding Anticipated Litigation, Council received a briefing on a matter of anticipated litigation and provided direction to Legal Counsel; and regarding Real Property, the Council and

Commission received a briefing from its real property negotiator regarding potential sale of City-owned property to Warmington Homes.

Adjournment

There being no further business, Mayor/Chair Johnson adjourned the meeting at 2:10 a.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED

MINUTES OF THE SPECIAL JOINT CITY COUNCIL AND ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA) MEETING, AND THE ANNUAL COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING TUESDAY- -JUNE 15, 2010- -7:02 P.M.

Mayor/Chair Johnson convened the meeting at 12:24 a.m.

ROLL CALL - Present: Councilmembers/Board Members/Commissioners deHaan, Gilmore, Matarrese, Tam and Mayor/Chair Johnson – 5.

Absent: None.

CONSENT CALENDAR

Councilmember/Board Member/Authority Member Gilmore stated page 4 of the minutes should include the Power Point presentation given by Stan Brown, SunCal.

The City Clerk stated the minutes would be revised and brought back at the next meeting.

Councilmember/Board Member/Commissioner deHaan moved approval of the remainder of the Consent Calendar.

Councilmember/Board Member/Commissioner Matarrese seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(10- CC/ARRA/10- CIC) Minutes of the Special Joint City Council, ARRA and CIC Meeting held on June 1, 2010. Continued.

(10- CIC) Resolution No. 10-166, "Authorizing Execution and Delivery of an Agreement Regarding Refunding of Authority Bonds." Adopted.

Commissioner Matarrese stated the resolution should be amended to include the 6% present value savings.

The City Clerk stated the 6% present value savings does not need to be in the CIC resolution, only the corresponding Alameda Public Finance Authority (APFA) resolution [paragraph no. 10- APFA] .

Commissioner Matarrese moved adoption of the resolution.

Commissioner deHaan seconded the motion, which carried by unanimous voice vote –

5.

CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

(10- CC/ARRA/10- CIC) Semimonthly Update on SunCal Negotiations

The Deputy City Manager – Development Services provided a handout and gave a brief presentation.

Mayor/Chair Johnson inquired whether Stan Brown, SunCal, was here to speak or answer questions, to which Mr. Brown responded to answer questions.

Vice Mayor/Board Member/Commissioner deHaan stated a lot of people would like to see the former Naval Base cleaned up; inquired whether SunCal is phone banking.

Mr. Brown responded in the affirmative; stated SunCal has been contacting supporters; SunCal is urging supporters to let the Council/Board Members/Commissioners know that there is broad support.

Vice Mayor/Board Member/Commissioner deHaan inquired whether SunCal is intending to clean up the former Naval Base.

Mr. Brown responded in the negative; stated the intent of the communication is for supporters to express continued support.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the communication is coming from SunCal staff, to which Mr. Brown responded the communication is coming from a consultant hired by SunCal.

Vice Mayor/Board Member/Commissioner deHaan inquired what is the name of the consultant, to which Mr. Brown responded he does not know.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the transcript and consultant's name could be provided, to which Mr. Brown responded in the affirmative.

Speakers: Jon Spangler, Alameda; William Smith, Alameda.

(10- CC/ARRA/10- CIC) Status Report of Finalized Navy Term Sheet Mandatory Milestone pursuant to Exclusive Negotiating Agreement Section 4.2.2.

The Deputy City Manager – Development Services gave a brief presentation.

Councilmember/Board Member/Commissioner Matarrese stated $108 million would have provided the Navy with profit participation when the housing market was hot and was calculated based upon far less units than what is in the Optional Entitlement

Agreement (OEA); requested that future analysis project 5,000 units instead of 1,700 units.

The Deputy City Manager – Development Services stated that she would apply the formula specified in the draft Navy term sheet to the project to see what the land payment would be.

Councilmember/Board Member/Commissioner Tam inquired whether the base project is the Measure A compliant plan and whether the density bonus option is higher; further inquired whether the two ranges would be analyzed in the Environmental Impact Report (EIR).

The Deputy City Manager – Development Services responded project alternatives have not been analyzed, but staff is close to finalizing a project description; stated the project description includes the base project and density bonus option; staff is studying two build-out scenarios.

Councilmember/Board Member/Commissioner Tam stated one hybrid project is being analyzed; inquired whether the base project and hybrid project would be analyzed when the Navy term sheet is developed in accordance with the Exclusive Negotiating Agreement (ENA).

The Deputy City Manager – Development Services responded staff has not started negotiations on the modified OEA; stated staff has significant concerns with the project pro forma, and does not want to enter into land payment negotiations with the Navy; that she assumes that final term sheet negotiations would be based upon the density bonus option project because SunCal wants to build said project.

Councilmember/Board Member/Commissioner Tam stated that she recalls receiving an email inviting Council, the Interim City Manager, and the Deputy City Manager – Development Services to some type of outreach with the Navy; subsequently, the Interim City Manager sent an email reminding Council that a Council subcommittee was formed; inquired whether the subcommittee ever met with the Navy and the Pentagon is unclear; inquired whether the staff report asserts that SunCal may be in breach of the Agreement because of what may have been a meeting with the Department of Defense that included the Navy.

The Deputy City Manager – Development Services responded in the affirmative; stated that she was on a conference call with SunCal in which SunCal notified both the City and Navy that they would like to set up a meeting with the Department of the Navy in Washington, D.C.; that she and the Base Realignment and Closures (BRAC) Office in San Diego requested to be invited; several times, the BRAC Office asked when the meeting might occur; she and the BRAC Office were never notified.

Councilmember/Board Member/Commissioner Tam inquired whether the Deputy City

Manager – Development Services knows what the meeting was about.

The Deputy City Manager – Development Services responded the BRAC Office informed her that the meeting did occur; stated conveyance term details were not discussed at the meeting; SunCal requested that the Navy support the six month ENA extension.

Councilmember/Board Member/Commissioner Tam inquired whether the Deputy City Manager – Development Services' made a determination that there was a breach of the Agreement.

The Deputy City Manager – Development Services responded that she did not make the determination, but staff and the legal team made the determination that the City was supposed to be notified and invited to attend the meeting; that she was not invited to the meeting or a subsequent negotiation session.

Councilmember/Board Member/Commissioner Gilmore inquired whether or not the Washington, D.C. meeting was an outcome of the email which invited Council, the Interim City Manager and Deputy City Manager – Development Services to the meeting and reminded everyone that the subcommittee had been formed.

The Deputy City Manager – Development Services responded the meeting may have been; stated that she was never provided with a date or invited to attend.

Councilmember/Board Member/Commissioner Tam requested clarification on what transpired in Washington, D.C. and how communication occurred.

Mr. Brown stated initially, the meeting was with the Department of Defense; that he heads SunCal's renewable energy plan; SunCal wanted to discuss opportunities to sell power to the federal government; solar power issues were discussed; negotiating was not done; the status of the ENA was discussed; that he still wants the Council subcommittee meeting to occur.

Councilmember/Board Member/Commissioner Tam inquired whether meeting discussions were communicated to staff.

Mr. Brown responded that he called the Interim City Manager the next day; stated the Interim City Manager returned his call but he and the Interim City Manager were unable to connect; that he believes that SunCal CEO Frank Faye sent a text message to the Mayor regarding the meeting; the meeting was not focused on Alameda Point; that he strongly disagrees with the breach of Agreement position; the Agreement has a specific provision that states the developer is authorized to communicate directly with the Navy regarding the project or project site as long as the developer keeps the City informed.

The Interim City Manager/Executive Director stated Mr. Brown's phone call was after

the fact; Mr. Faye advised her that he would take direction from Council and not the subcommittee.

Mayor/Chair Johnson inquired whether SunCal requested the Navy to support an ENA extension.

Mr. Brown responded that SunCal indicated that the ENA would be ending soon and that SunCal wanted to remain involved in the project.

Mayor/Chair Johnson inquired if the conversation included whether the Navy supports the ENA extension, to which Mr. Brown responded briefly.

Vice Mayor/Board Member/Commissioner deHaan stated Section 20-1 states that SunCal is not to meet or engage in negotiations with the Navy concerning the project or project site without giving advanced, reasonable notice to the City in order to give the City an opportunity to negotiate with SunCal and the Navy at such meeting; inquired what is Mr. Brown's interpretation of said Section.

Mr. Brown responded that he concurs that the statement is the first sentence of the Section; however, the second sentence states "notwithstanding anything to the contrary in the foregoing, developer is authorized to communicate directly with the Navy regarding the project and project site as long as the developer promptly keeps the City informed of such communications"; stated SunCal made no attempt to negotiate with the Navy without the City being present.

Councilmember/Board Member/Commissioner Tam inquired how the meeting came about; further inquired whether Mr. Brown just happened to be in Washington, D.C.

Mr. Brown responded in the negative; stated SunCal does a fair amount of business with the Department of Defense; originally, SunCal was talking to the Department of Defense regarding solar opportunities; SunCal has been pursuing entering into a Power Purchase Agreement to sell power to the armed services; the opportunity came to head at the meeting.

Councilmember/Board Member/Commissioner Tam stated that it does not sound like a meeting was planned to follow up on Council's opportunity to meet with the Navy; inquired whether SunCal informed City staff immediately after the meeting.

Mr. Brown responded in the affirmative; stated SunCal still wants to meet with senior Navy staff, Councilmembers, and City staff to negotiate terms of the Agreement; one frustration has been that SunCal desires to have communications with the Navy but the City has not been willing to schedule a joint meeting because of pro forma concerns and other issues; the situation is curious in that after a year of requesting to have a joint meeting, SunCal is considered to be in breach of the Agreement.

Councilmember/Board Member/Commissioner Tam inquired what is the path to the resolution of pro forma issues.

The Deputy City Manager – Development Services responded staff has been working on the new pro forma for less than two months; stated an extensive report was attached to the June 1, 2010 staff report regarding the pro forma; staff was directed to sit down and resolve some of the issues; staff met with SunCal today; that she advised Mr. Brown that staff discussed different assumptions and related, rational assumptions; staff would meet with the consultant [EPS] today to discuss issues; conversations would continue on Thursday.

Councilmember/Board Member/Commissioner Tam inquired when staff expects issues to be resolved.

The Deputy City Manager – Development Services responded resolving issues is not just up to staff; stated negotiations are mutual.

Councilmember/Board Member/Commissioner Tam inquired when SunCal expects issues to be resolved.

Mr. Brown responded today's phone call was productive; stated that he is unfamiliar with EPS's housing methodology and pricing; EPS feels that the unit value approach versus square footage is the appropriate value measurement; that he disagrees with said analysis; today, EPS was unable to advise him why it considered SunCal's construction costs to be too low; EPS wants to compare the project to Bayport, which has very few water views; water views are probably why SunCal has a higher premium in its pro forma; that he is not sure when issues would be resolved to bring closure.

The Deputy City Manager – Development Services stated staff will be coming back on July 7th to provide an update.

Mayor/Chair Johnson inquired what is the status regarding school facility issues.

Mr. Brown responded SunCal has had meetings with the School District; stated that he is not sure whether changes have occurred in the last month or so; the School District is evaluating facility needs; SunCal has provided two school sites within the plan.

Mayor/Chair Johnson stated school site placement has been an issue.

Mr. Brown stated the he is unaware of any location issues, but SunCal would be happy to engage in said conversation; the issue is a normal give and take process and would be part of the EIR.

Mayor/Chair Johnson inquired whether SunCal is working on a transportation plan.

Mr. Brown responded transportation planning is a big part of the budget; stated SunCal is finding its own expert to advance the ball on transportation and transit issues; alternatives are being reviewed; SunCal realizes that issues need to be fully mitigated in order for a plan to be viable and approved by the City; SunCal recognizes that transportation issues cannot become worse and is willing to work with its own consultant in addition to the joint consultant retained through the EIR.

Mayor/Chair Johnson inquired whether the EIR would provide an option for fewer housing units.

Mr. Brown responded an alternative to be studied in the EIR has not been identified; stated work still needs to be done; typically, one option would be to have a lower level of development proposed; the EIR consultant and staff, along with comments from SunCal, would develop an alternative to be studied for a reasonable, smaller project.

AGENDA ITEMS

(10- CIC) Public Hearing to Consider Resolution No. 10-167, "Approving and Adopting the Five-Year Implementation Plan for the Business and Waterfront and the West End Community Improvement Projects (2010-2014)." Adopted.

The Economic Development Director gave a Power Point presentation.

Commissioner Gilmore thanked the Economic Development Director for the presentation; stated sometimes the City gets busy pushing ahead on the next project and does not take the opportunity to look back on accomplishments; the City has changed for the better.

The Economic Development Director stated policy decisions have been put in place with a lot of community input; this is the time for the City to talk about the impact that projects have had on the community; in the last couple of years, funding projects without redevelopment agency support has been difficult; the construction trade is the hardest hit unemployment group in Alameda County.

Commissioner Tam stated that she would like to echo appreciation to staff; all Councilmembers throughout the State are telling their legislature that redevelopment funds are an economic engine and create jobs; inquired whether the City has a strategy for locating retail sites.

The Economic Development Director responded the City has a number of different retail opportunities which are not necessarily within the redevelopment project area boundaries; stated Alameda Landing has an opportunity for up to 300,000 square feet of retail; the City has identified how much the City could handle through a saturation invoice and retail leakage analysis; the Catellus Agreement has a retail marketing plan in which Catellus has to meet quarterly with the City; Catellus needs to update the retail

strategic planning analysis if it deviates from its basic retail plan; the Marina Village Shopping Center has issues; Bridgeside Shopping Center never finished leasing its property; the City needs to work on the strategic retail side.

Speaker: Former Councilmember Tony Daysog, Alameda.

Commissioner Matarrese moved adoption of the resolution.

Commissioner Tam seconded the motion, which carried by unanimous voice vote – 5.

ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the meeting at 1:32 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

CITY OF ALAMEDA
Memorandum

To: Honorable Mayor and
Members of the City Council

Honorable Chair and
Members of the Alameda Reuse and Redevelopment Authority

Honorable Chair and
Members of the Community Improvement Commission

From: Ann Marie Gallant
Interim City Manager/Interim Executive Director

Date: July 7, 2010

Re: Presentation on SunCal Modified Entitlement Application

BACKGROUND

On July 18, 2007, the governing bodies of the Alameda Reuse and Redevelopment Authority (ARRA), Community Improvement Commission (CIC), and City of Alameda (together "Alameda") approved an Exclusive Negotiation Agreement (ENA) with SCC Alameda Point LLC (SunCal), as the Master Developer for the redevelopment of Alameda Point. The ENA was amended in March 2008 and in October 2008.

The Second Amendment to the ENA created a process that allowed SunCal to pursue a ballot initiative for a non-Measure A-compliant land use entitlement at Alameda Point and provided that if the initiative failed SunCal would be permitted to submit an Optional Entitlement Application (OEA). This OEA would require a project consistent with the City Charter (Measure A compliant) that could be processed within the overall timeframe of the ENA. The amendment did not provide SunCal with the ability to pursue a second ballot initiative, nor did it contemplate extending the term of the ENA for processing of an OEA.

On March 26, 2009, SunCal submitted the Alameda Point Revitalization Initiative (Initiative) to the City. The Initiative included a Charter Amendment, General Plan Amendment, Zoning Amendment, Specific Plan and Development Agreement (DA), the details of which were not negotiated with Alameda. On November 3, 2009, when the Initiative was determined to have qualified for the ballot, the City Council set the election for February 2, 2010.

Prior to the February election, SunCal submitted an OEA on January 14, 2010 as permitted by the ENA. The OEA submitted by SunCal consisted of substantially the same plan and processes contained in the Initiative. On February 2, 2010, the Initiative failed at the polls with 85 percent of those participating in the election voting against the

Initiative. On February 4, 2010, Alameda provided SunCal with a Notice of Default (NOD) stating that the OEA submitted by SunCal did not meet the requirements of the ENA because the OEA conflicts with the City Charter. The only way for the OEA to avoid conflicting with the City Charter was for SunCal to either submit a Density Bonus Application (DBA) for the project in compliance with the City's Density Bonus Ordinance, which SunCal did not do, or to seek an amendment to the City Charter through a second ballot initiative. However, the ENA affords SunCal no further opportunities to amend the City Charter through a second initiative.

Consistent with the terms of the ENA, SunCal had 30 business days, or not later than March 22, 2010, to cure the default. On March 22, 2010, SunCal submitted a Modified OEA in response to Alameda's NOD, which included a Measure A-compliant project (Base Project) that might be modified at a later date through a density bonus.

At a meeting with Alameda staff, SunCal stated that no DBA would be submitted at this time consistent with the City's Density Bonus Ordinance, because the ordinance itself requires specific information, such as architectural elevations, which SunCal stated could not be provided at this stage in the planning process. However, SunCal indicated verbally its commitment to developing a higher-density project that will permit the land uses, units, and density similar to the Specific Plan contained in the Initiative (Density Bonus Option), not the Base Project. SunCal also indicated that the Environmental Impact Report (EIR) and Disposition and Development Agreement (DDA) would include the Density Bonus Option. The Density Bonus Option is essentially the same land use program as the Initiative, with the exception of an increased amount of commercial development, one acre of additional park and the inclusion of sustainable uses, such as a solar farm, in the Northwest Territories. SunCal also committed to preparing a master-planned DBA at a future date to avoid a piecemeal approach to implementation of a higher density project under density bonus law.

On April 20, 2010, the City of Alameda provided SunCal with a letter identifying some of staff's major concerns with SunCal's current submittal. In response to the April 20, 2010 letter and staff's requests at weekly meetings, SunCal has provided various documents on the proposed Density Bonus Option to Alameda over the last several months, including a project proforma provided on April 26, 2010 (Project Proforma) (Exhibit 1). Alameda also sent a letter to SunCal on May 19, 2010 stating that the Modified OEA was incomplete and requested that SunCal submit additional information on the Density Bonus Option with sufficient detail so that it can be reviewed and analyzed by staff and the EIR consultants, as well as the community, Planning Board, and Alameda at the same time as the Base Project.

On May 27, 2010, SunCal emailed a letter to the City's Planning and Building Department responding to the City's Notice of Incompleteness letter, including supplemental information to be processed as part of the Modified OEA and, on May 28, 2010, a letter to the Interim City Manager responding to Alameda's April 20, 2010 letter. Staff reviewed SunCal's response and has met with SunCal on a weekly basis to address any remaining concerns regarding the completeness of the Modified OEA. Per the results of these discussions, and at staff's request, SunCal submitted, on June 24, 2010, a consolidation of all previous submittal related to the Density Bonus Option as well as additionally requested documentation concerning the Density Bonus Option. Based on a review of the initial Modified OEA provided on March 22, 2010, and all subsequent submittals through June 24, 2010, staff has determined the Modified OEA complete.

Notwithstanding this "completeness" determination, staff continues to raise planning, transportation, and economic concerns with respect to the SunCal plan, including both the Base Project and the Density Bonus Option. These concerns were shared with the Planning Board on May 10, 2010 and May 24, 2010; also with the governing bodies of Alameda on May 18, 2010, and with the Economic Development Commission on May 20, 2010. On June 1, 2010, the governing bodies of Alameda set a public hearing date for a decision on the SunCal Modified OEA and/or extension of the ENA by July 20, 2010. The public hearing has been scheduled for July 20, 2010.

The governing bodies of Alameda at the June 1, 2010 also raised questions regarding SunCal's Modified OEA. The answers to these questions and staff's expressed concerns regarding SunCal's Modified OEA are the subject of this staff report.

DISCUSSION

Responses to June 1, 2010 Meeting Questions

At Alameda's June 1, 2010 meeting, various questions and issues were raised by the governing bodies. The questions and their responses are provided below:

1. What is the status of ongoing negotiations between SunCal and Alameda regarding project economics and assumptions in the SunCal Project Proforma?

As discussed at the June 1, 2010 meeting, Alameda staff contracted with the real estate economics consulting firm that has been working on this project for many years, Economic & Planning Systems (EPS), to evaluate SunCal's Project Proforma for the Density Bonus Option. In particular, staff asked EPS to review and analyze the

revenue, cost and fiscal neutrality assumptions in the SunCal Project Proforma. Overall, EPS and staff believe many of SunCal's assumptions are overly optimistic, which has significant implications on the financial feasibility of the SunCal Project Proforma. The following provides a discussion of EPS and staff findings regarding key financial assumptions.

Revenue Assumptions

EPS prepared a detailed report, *Alameda Point Pro Forma Market Review,* dated May 24, 2010, which summarizes areas of disagreement between EPS and SunCal concerning key market assumptions in the SunCal Project Proforma (EPS Market Report) (Exhibit 2). The EPS Market Report was made publicly available for the June 1, 2010 meeting and is on file in the Clerk's Office. At the time of the June 1, 2010 meeting, the key areas of disagreement regarding revenue assumptions included single-family home sales prices, price premiums, absorption, and home value appreciation.

At the June 1, 2010 meeting, SunCal presented its response (Exhibit 3) to the EPS Market Report, which outlined SunCal's differing conclusions regarding revenue and cost assumptions. At the meeting, the governing boards of Alameda directed staff to continue discussions with SunCal regarding the SunCal Project Proforma and to provide an update on the results of these further conversations at a subsequent meeting. Staff formally discussed the Project Proforma with SunCal on June 15, 2010 and June 24, 2010, and has informally corresponded with SunCal regarding the Project Proforma over the past month. As a result of these discussions, SunCal has agreed to modify the absorption schedule in its Project Proforma to be consistent with EPS' recommendation. However, agreement has not been reached regarding other differing assumptions and thus both EPS and Alameda staff continue to retain concerns on SunCal's other revenue assumptions, many of which appear to be overly optimistic. EPS prepared the attached June 29, 2010 memorandum (EPS Memorandum), which provides a status report on ongoing discussions and summarizes: (1) SunCal's issues with the EPS Market Report, (2) SunCal's supporting data provided to date, and (3) EPS' response to SunCal's issues (Exhibit 4). In sum, the EPS Memorandum concludes that many of SunCal's assumptions do not take into account the significant changes in the real estate market that have taken place as a result of the unprecedented recession of the last several years. Consequently, EPS believes that many of the assumptions are not supported by sound data and analysis. A table comparing the differences between EPS and SunCal revenue assumptions is provided below.

Cost Assumptions

EPS and staff also continue to have concerns with numerous cost assumptions, included in SunCal's Project Proforma, including cost escalation, direct construction costs for single-family homes, infrastructure construction contingency, and key transportation and infrastructure costs. The EPS Market Report and EPS Memorandum summarize EPS recommendations regarding cost escalation and direct construction cost assumptions.

To date, at staff's request, SunCal has agreed to increase the construction cost for Bus Rapid Transit (BRT) by an additional $5 million, and to add the Cross-Alameda multi-use pathway as a construction cost of $2 million. With soft costs and contingencies this increases projected project costs by approximately $10.3 million. There are other infrastructure related costs that staff believe also should be increased or added to the SunCal Project Proforma, including an increase to the infrastructure construction cost contingency from 20 to 25 percent and $1.2 million for a fair share amount of a projected new Corporation Yard. The construction costs for the ferry terminal, the project's share for the Broadway/Jackson interchange, and the transportation demand management (TDM) monitoring and refinement costs are still being discussed and evaluated, and will also affect the total costs for improvements. A table comparing the differences between EPS and SunCal cost assumptions is provided below.

Fiscal Neutrality Assumptions

Lastly, EPS prepared the June 2010, *Alameda Point Public Services Analysis*, which analyzes the fiscal impacts of the Modified OEA (Density Bonus Option) on the City's General Fund and certain affected Special Revenue Funds (EPS Fiscal Report) (Exhibit 5) in order to assure that the City's established policy of fiscal neutrality will be achieved.[1] The EPS Fiscal Report finds that while the General Fund is projected to experience shortfalls only in the initial years, the Public Works-related Special Revenue Funds are insufficient to fund costs. Various measures can help to mitigate the fiscal impacts on Alameda, including developer payments and ongoing annual property assessments. There are also ongoing operations costs associated with the transportation program proposed for the project that will need to be supported through assessments from Alameda Point property owners. However, the effectiveness of the fiscal neutrality mitigation measures and the availability of transportation assessments, are affected by the overall feasibility of the project, as discussed in greater detail below.

[1] City of Alameda Resolution No. 13643, November 5, 2003

2. Can the project financially support the proposed transportation improvements and program, public benefits, fiscal neutrality, and a significant land payment to the Navy?

As a result of these remaining issues and concerns, staff directed EPS to prepare a financial feasibility analysis based on SunCal's Project Proforma, but incorporating EPS and staff's proposed changes in revenue and cost assumptions, to evaluate the potential impacts of such changes on project feasibility. EPS prepared a report, *Alameda Point Financial Feasibility Analysis,* dated June 2010, which summarizes the results of the feasibility analysis (EPS Feasibility Report) (Exhibit 6), which incorporates the findings of the EPS Market Report, the EPS Memorandum, and EPS Fiscal Report. This financial feasibility analysis is a tool for evaluating the effects of changes to the SunCal Project Proforma on project feasibility; it is not intended to represent Alameda's proposed business plan.

Table 1, recreated from the EPS Feasibility Report, provides a summary of key revenue and cost assumptions in the EPS financial feasibility analysis that differ from the SunCal Project Proforma. Table 1 also compares the EPS and SunCal assumptions. EPS also incorporated other modifications into its analysis that differ from the SunCal Project Profroma, which are described in detail in the EPS Feasibility Report, but do not substantially affect the findings of the analysis.

Table 1
Key Assumption Modifications and Comparison

Assumption	SunCal	EPS Recommendation	% Difference
Revenue Assumptions			
Single Family Home Values (per unit in 2014)			
Single-Family Detached	$1,042,000	$860,000	-17%
Duplexes	$868,000	$790,000	-9%
Average Home Value Premiums			
Single-Family Detached	5%	1%	-80%
Duplexes	2.7%	1%	-63%
Townhomes	4%	1%	-75%

Average Single Family/Townhome Absorption (per year)	233 units	175 units	-25%
Average Multi-Family Absorption (per year)	220 units	175 units	-20%
Real Appreciation in Home Prices Value	2%	1.4%	-30%
Cost Assumptions			
Single Family Direct Construction Costs (per square foot in 2014)			
Single-Family Detached	$115	$130	13%
Duplexes	$126	$150	19%
Townhomes	$137	$202	47%
Vertical Construction Cost Escalation above Inflation	0%	0.4%	n/a
Horizontal Construction Cost Escalation above Inflation	0%	0.5%	n/a
Horizontal Construction Cost Contingency	20%	25%	25%
Additional Costs (Cross-Alameda bike trail, BRT costs, corporation yard)	$0	$11.5 million	n/a

There are other policy and development assumptions contained in SunCal's Project Proforma that could be affected by further analysis and negotiations with Alameda and the Navy, including, but not limited to:

1. **Public Financing**. SunCal assumes 100 percent of all housing and non-housing redevelopment tax increment financing will be dedicated to this project. ($212 million)

2. **Property Management**. SunCal assumes that it will provide interim property management services for Alameda Point as the property is developed, with the exception of the United States Maritime Administration (MARAD) lease. The MARAD lease revenues and expenses are assumed to be retained by the City in the EPS feasibility analysis. ($56 million)

3. **Adaptive Reuse**. SunCal assumes no revenues or costs for the adaptive reuse of individual buildings. The SunCal Project Proforma does include infrastructure costs associated with the adaptive reuse area.

4. **Commercial Assumptions.** SunCal is preparing a commercial market study and business plan that will inform the ultimate revenue and cost assumptions for commercial uses in the Project Proforma.

The EPS financial feasibility analysis determined that the feasibility of the project is substantially affected in an adverse manner by the aforementioned changes, resulting in an internal rate of return (IRR) of approximately negative 12 percent compared to a positive 20 percent in the SunCal Project Proforma. As stated in the ENA, SunCal's IRR requirement for the Alameda Point project is between 20 percent to 25 percent.

EPS also conducted sensitivity analyses to test the implications for project feasibility if the market experiences stronger than expected recovery and/or commands higher than projected prices, premiums and construction costs, as envisioned by SunCal's Project Proforma. The following describes the results of a sensitivity analysis run for each of the following individual assumptions:

1. **Single Family Home Prices**. EPS assumed single-family home prices similar to those in the SunCal Project Proforma – the IRR increased by 10 percentage points (for an IRR of negative 2 percent, rather than a negative 12 percent).

2. **Residential Price Premiums**. EPS assumed additional price premiums for single-family homes comparable to those in the SunCal Project Proforma – the IRR increased by three percentage points (for an IRR of negative 9 percent, rather than a negative 12 percent).

3. **Construction Costs**. EPS assumed construction costs on vertical construction for single-family homes comparable to those in the SunCal Project Proforma – the IRR increased by eight percent (for an IRR of negative 4 percent, rather than a negative 12 percent).

The cumulative effect of these three sensitivity analyses result in an IRR of 14 percent, a return well below the return required by SunCal in the ENA. However, EPS continues to believe that this improved return using SunCal's assumptions does not take into account significant changes in the real estate market and that EPS's projected IRR of approximately negative 12 percent is much better supported by sound data and analyses. The results of the EPS Feasibility Report raise serious concerns about the financial feasibility of SunCal's Modified OEA, even if some of SunCal's key market assumptions are accepted. Moving forward on a project that is financially underwritten based on overly optimistic assumptions exposes both the City and the Developer to significant risks including:

(1) SunCal cannot provide the financing commitments necessary to implement the project and, as a result, "banks" the Alameda Point land without making progress on developing the property;

(2) SunCal commences construction, the project does not perform to the levels projected in the Project Proforma, and, therefore, future phases of development are significantly deleted or perhaps not completed; and

(3) SunCal develops the private project, but because project financial performance is significantly below projections in the Project Proforma, public benefits and transportation improvements cannot be built to the levels committed in the approved plan, DA and DDA.

In sum, there is considerable risk that the Modified OEA (Density Bonus Option) will not be able to support the proposed transportation improvements and program, public benefits, fiscal neutrality, as well as a significant land payment to the Navy.

3. Does SunCal project comport with definitions of transit-oriented development (TOD)?

At a recent City Council meeting, discussion occurred regarding the applicability of the term "transit-oriented development" (TOD) in relation to the SunCal Density Bonus Option. While no single definition of TOD exists, transportation planners typically define TOD as including a mix of retail, commercial, and residential land uses, a diversity of

housing types, development within close proximity to a rail or rapid bus station (generally within a one-quarter to one-half mile walking distance), high-quality pedestrian and bicycling facilities to encourage walking and cycling, and reduced amounts of parking for personal vehicles to encourage transit and reduce vehicle miles traveled.

As defined by the Center for Transit-Oriented Development, there are various types of TODs ranging from "Regional Centers", which exhibit the greatest presence of TOD features, such as downtown San Francisco and Midtown Manhattan to "Special Use/Employment Districts", which contain fewer TOD features, such as South of Market in San Francisco and the South Waterfront in Portland, Oregon.[2] The differences between these TODs include the types and frequency of transit services, parking standards, and land use densities. Based on staff's review, the Density Bonus Option proposal can be considered a "Transit Town Center" consisting of a moderate density of residential, commercial, employment and civic/cultural uses clustered around a multi-modal transit station.

4. What are the traffic findings from previous analyses conducted for Alameda Point that could be used to determine the traffic impacts associated with the proposed Density Bonus Option?

There have been several studies related to the development of Alameda Point that address traffic, beginning with the 1999 EIR for Reuse of Naval Air Station Alameda and the Fleet and Industrial Supply Center, Alameda Annex and Facility. The EIR analyzed now-outdated land use assumptions and cumulative impacts. Additionally, this document analyzed six different mixed land use assumptions, but did not identify or analyze specific TDM measures. Transportation proposals included some modifications to the then-current transit service, a demonstration project for the use of Amphibious Transportation Vehicle (DUKW) and an electric shuttle service to the 12th Street BART Station.

A more detailed TDM program was included in the mixed land use assumptions for the 2002 Master Concept Plan developed by Alameda Point Community Partners, including an enhanced and relocated ferry and an aerial tram to the West Oakland BART Station. However, this study did not include a traffic impact analysis. To assess traffic impacts, the consultant assumed that the proposed TDM program would reduce peak-hour traffic volumes by 32 percent and compared the peak hour volumes from the

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[2] Reconnecting America and the Center for Transit-Oriented Development, *Station Area Planning: How to Make Great Transit-Oriented Places*, 2008

project and cumulative traffic from other uses with the then projected 2005 and 2020 capacities of the Webster and Posey Tubes (Tubes).

The following year (2003), the City initiated the Alameda Point General Plan Amendment (GPA) EIR, which included a detailed traffic analysis for a mixed land use proposal that included 1,928 housing units and approximately 2.3 million square feet of job-producing commercial. The analysis concluded that a total of 37,634 daily trips would be generated from the development at full buildout. A total of 792 trips were assumed to be by transit. In addition, 2,704 trips and 2,911 trips were estimated for the AM and PM peak hours, respectively. The traffic analysis identified significant impacts to two intersections in Oakland (Jackson Street/6th Street and Brush Street/12th Street) and no significant impacts to intersections in the City of Alameda. The Posey Tube street segment was determined to have significant impacts due to the project, but no significant impacts were identified for any of the Congestion Management Plan network segments in the AM peak hour. During the PM peak hour, High Street from Howard Street to I-880, and Alameda Avenue from Fruitvale Avenue to High Street were identified as having significant impacts due to the project. These street segments are in Oakland.

The 2006 Alameda Point Preliminary Development Concept (PDC) included residential land use assumptions consistent with the GPA EIR, but job-generating commercial land use assumptions were increased by approximately a million square feet to 3.4 million square feet. The proposed TDM program was divided into three stages: Day One Improvements, Mid-Term Improvements and Long-Term Improvements. The goal of the TDM program was to reduce residential trips by 10 percent and commercial trips by 30 percent.

Day-One Improvements included a shuttle or transit service to 12th Street BART at 15- to 20-minute headways and expanded ferry service. The Mid-Term Improvements included Rapid Bus Service, Long-Term Improvements including consideration of Bus Rapid Transit (BRT), Light Rail or Group Rapid Transit along the former Alameda Beltline right-of-way and crossing into Oakland using the railroad bridge at Fruitvale Avenue. No detailed traffic impact evaluations were conducted for street segments and intersections as part of the 2006 PDC effort.

In April 2008, the City hired a consultant to develop the Alameda Point Station Area Plan (SAP) funded by the Metropolitan Transportation Commission and the Alameda County Transportation Improvement Authority to evaluate benefits of clustering development with close proximity to transit. The plan looked at the following three alternatives with different transportation strategies:

1. The 2006 PDC that would provide transit service to Oakland BART at 12th Street at 15-minute headways, ferry service to San Francisco at 30-minute headways, shuttle connections to San Francisco express buses and downtown Oakland, a transit station at the Sea Plane Lagoon, and a Car Share program.

2. A Transit Enhanced PDC with 1,800 market rate housing units, and 9,000 jobs that would provide transit service to Oakland BART at 12th Street at 12-minute headways, ferry service to San Francisco at 30-minute headways, shuttle connections to San Francisco express buses and downtown Oakland, a transit station at the Sea Plane Lagoon, and a Car Share program.

3. A Transit Plus alternative with 3,000 market rate housing units, and 9,000 jobs that would provide BRT to Oakland BART at 12th Street at 5-minute headways, ferry service to San Francisco at 20-minute headways, shuttle connections to San Francisco express buses and downtown Oakland, a transit station at the Sea Plane Lagoon, a Car Share program, and a future extension of the transit service (potentially a BRT) to Fruitvale BART station.

However, no analysis on actual impacts to intersections or street segments was conducted for any alternative. The SAP estimated total traffic trips from Alameda Point after taking credits for transit enhancements for each alternative and then compared them with the PDC alternative trips in the Tubes.

In September 2009, the City prepared a Preliminary Traffic Impact Report for the land use program in the SunCal Initiative. The project included up to 4,346 new housing units, 186 existing low-cost housing, re-use of existing buildings for up to 309 housing units, 350,000 square feet of retail space and approximately 3.2 million square feet of commercial. TDM strategies assumed to be included as elements of the project were a dedicated shuttle service with 15-minute headways during weekday peak hours to the 12th Street BART station in the first phase. The shuttle service would evolve to a BRT service in the later stages of the development with 15-minute headways during peak commute hours and 20-minute headways off peak, expanded Ferry Service at 30-minute headways.

The report concluded that in 2035, with the assumed transportation improvement plan and TDM measures in place, the project would generate 61,561 vehicle trips per weekday, with 5,260 trips in the a.m. peak and 4,927 trips in the p.m. peak. Existing (2007) traffic volumes from Alameda Point were reported at 10,284 vehicles trip per weekday, with 722 trips in the AM peak and 703 trips in the PM peak. The

transportation program (improvements and TDM) was estimated to provide an overall 33 percent reduction in peak hour traffic volumes for the Project, with an 18 percent traffic volume reduction at the gateways and a 15 percent reduction internal to the City. The report then analyzed intersection Level of Service (LOS) impacts of the net increased trips and determined that with the project transportation improvements in place, several major intersections that currently operate at an acceptable LOS would degrade to an unacceptable LOS with the project. For example, the Webster Street at Ralph Appezzato Memorial Parkway intersection would degrade for an existing LOS D to LOS E in both the AM and PM peak periods; the Park Street at Clement Avenue intersection would degrade from LOS D to LOS F in the a.m. peak and from LOS C to LOS F in the p.m. peak; and the Tilden Way/Blanding Avenue/Fernside Boulevard intersection would degrade for an existing LOS B to LOS F in both the AM and PM peak periods

Finally, the City recently conducted traffic counts for the Posey and Webster Tubes in 2009 as part of the City's Traffic Capacity Management Procedure (TCMP), which is a requirement of the Catellus EIR. The TCMP estimates the theoretical reserve capacity in the Tubes based on the free flow capacity of the Tubes. The most recent June 2010 report, which is included as Exhibit 7, determined that the projected remaining capacity in the Posey Tube is 829 vehicles in the AM peak and 1,183 vehicles in the PM peak. The projected remaining capacity in the Webster Tube is 1,533 vehicles in the AM peak and 364 vehicles in the PM peak.

As described above, there are numerous studies that have been conducted on the traffic impacts associated with development at Alameda Point. The Density Bonus Option will result in traffic impacts to the Tubes and to intersections in Alameda and Oakland. Funding and implementation of a forward-thinking transportation program and key transportation improvements will be necessary to minimize, though not always eliminate, the traffic impacts of development at Alameda Point. The ability of the Modified OEA to fund the capital and operational costs associated with the required Alameda Point transportation strategy and mitigation measures will depend on the feasibility of the project.

5. What is the status of meetings with the San Francisco Bay Area Water Emergency Transit Authority (WETA) regarding relocation of the Main Street Ferry Terminal to the Seaplane Lagoon, as envisioned in the SunCal plan?

Staff and SunCal met with WETA on June 3, 2010 to discuss the proposed Modified OEA and the transportation improvements associated with the project. At that meeting, SunCal provided a cost estimate for the new ferry terminal at the Seaplane Lagoon and

general ferry ridership projections, based on County-wide data related to rail and ferry transit from 2000. WETA and City staff are reviewing the data and will discuss these and other ferry-related issues at an upcoming July 8, 2010 meeting. WETA's initial concerns with relocation of the ferry centered on the impacts associated with the Oakland riders and how ferry service would be provided from Oakland.

Recommended Next Steps

As discussed at previous meetings of the governing boards of Alameda, the term of the ENA between SunCal and Alameda expires on July 20, 2010. The ENA further provides that if SunCal were to complete its Modified OEA and satisfy the remaining two mandatory milestones in the ENA by July 20, 2010 (the Finalized Navy Term Sheet and the DDA as described below), the ENA would automatically extend until such time as the City acted on the project: either by denying the Modified OEA (which action is exempt from CEQA and does not require an EIR), or certifying the pending EIR when it is complete and therefore approving the Modified OEA.

The status of SunCal's remaining ENA requirements is provided below:

1. **Complete Application**. As discussed above, Alameda staff has concluded that SunCal's Modified OEA is complete.

2. **Finalized Navy Term Sheet**. The Finalized Navy Term Sheet (Term Sheet) is one of two remaining mandatory milestones that must be achieved by SunCal before the July 20, 2010 date, according to the ENA. A staff report providing a status report of SunCal's attainment of the Term Sheet mandatory milestone pursuant to the ENA was provided to the governing bodies of Alameda at the June 15, 2010 meeting. As discussed at the June 15, 2010 meeting, Alameda has not engaged the Navy in negotiations of the Term Sheet related to the Modified OEA because of the need for a well-defined project description, a thoughtful phasing plan and a mutually agreed upon project proforma for the Density Bonus Option. As outlined in this staff report, staff continues to have serious concerns with key assumptions in the Project Proforma, and cannot negotiate the project's ability to support a significant land payment to the Navy until these issues of financial infeasibility are resolved. It is unlikely that these issues, in particular, will be resolved and a Term Sheet agreed to by all parties before the upcoming July 20, 2010 date.

   As discussed at the June 15, 2010 meeting, SunCal's election to meet with the Navy at the Pentagon concerning the project on June 9, 2010 without providing

notice or an opportunity to participate to Alameda constitutes a breach of SunCal's obligations under the ENA. At the June 15th meeting, SunCal confirmed at the June 9th meeting that it had asked the Navy to support a six-month extension of the ENA. The Navy did not agree to this request and indicated that all future communication about the project should be directed to the ARRA and the Base Realignment and Closure Program Management Office in San Diego.

3. **Disposition and Development Agreement**. The DDA is the other remaining mandatory performance milestone that must be achieved by SunCal by July 20, 2010, pursuant to the ENA. SunCal can achieve the mandatory milestone for the DDA if both SunCal and Alameda agree on the form and substance of the DDA or if SunCal submits its best and final offer of a DDA acceptable to SunCal. On June 10, 2010, SunCal submitted a draft DDA to staff. Staff is reviewing the DDA and providing comments to SunCal on a weekly basis. Given the complexity of a public-private partnership between SunCal and Alameda for the Alameda Point project, and ultimately, the Navy, it is unlikely that staff and SunCal will agree on the form and substance of the DDA by July 20, 2010, but that SunCal will submit its "best and final offer" as described in the ENA..

FINANCIAL IMPACT

The proposed request does not modify the financial provisions contained in the ENA regarding reimbursement of staff and Alameda third-party consultant costs. Therefore, there is no fiscal impact to the City's General Fund, Community Improvement Commission, or Alameda Reuse and Redevelopment Authority budgets.

RECOMMENDATION

This report is for information only.

Respectfully submitted,

Jennifer Ott
Deputy City Manager

JO:dl

Honorable Mayor and
Members of the City Council

Honorable Chair and
Members of the Community Improvement Commission

Exhibits:

1. April 26, 2010 SunCal Density Bonus Option Project Proforma
2. May 24, 2010 Final Report, *Alameda Point Pro Forma Market Review*, prepared by EPS - on file in City Clerk's Office
3. June 1, 2010 SunCal Presentation on May 24, 2010 EPS Market Report
4. June 29, 2010 Memorandum, *Response to SunCal's Alameda Point Market Analysis and Feasibility Study Comments*, prepared by EPS
5. June 2010, *Alameda Point Public Services Analysis,* prepared by EPS -- on file in City Clerk's Office
6. June 2010 Final Report, *Alameda Point Financial Feasibility Analysis,* prepared by EPS
7. June 2010 City of Alameda Traffic Capacity Management Procedure

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow
Alameda, CA

Financial Summary

		04/26/10 Density Bonus Option
Investor Summary		
Project Summary		
Project Duration (Months):		180
Avg. Yearly Mrkt Rate Absorption		454
Total Number of Lots:		4,841
Market Rate Lots		3,632
Affordable Lots		1,209
Average Market Rate Net Home Price	$	650,914
Average Market Rate Home Size		1,472
Average Market Rate Net $/SF	$	442.25
Average Market Rate Directs	$	172.88
Average FLV (including Premiums):	$	169,405
Gross Residential Sales Proceeds	$	820,090,740
Gross Commercial Sales Proceeds		82,567,980
Gross Sales Proceeds (Including Commercial/Institutional):	$	**902,658,720**
In-Tract Costs:		
Less: Builder In-Tract Costs and Fees		(233,425,208)
		-
Other Revenue:		
Residential Escalators		580,595
Residential Price Appreciation		417,301,016
Commercial Price Appreciation		20,988,898
CFD		199,759,542
Tax Increment Financing		235,686,324
Master Lease NOI		36,200,333
Master Lease Reversion		44,841,959
Marina Operating Income		2,838,048
Marina Reversion Value		15,013,532
Total Other Revenue		973,210,247
Add: Master Marketing Reimbursements		32,504,988
Add: Misc. Revenues		307
Less: Builder Closing Costs		(24,472,445)
Net Sales Proceeds:	$	**1,650,476,610**
Master Costs:		
Land		(108,500,000)
Total Land Costs		(108,500,000)
Directs Demo, Site Prep, & Grading		(217,510,527)
Street Improvements		(38,484,350)
Sanitary Sewer		(31,675,000)
Water Improvements		(20,265,000)
Storm Drain		(40,279,000)
Amenities & Special Construction		(231,271,193)
Utilities		(18,350,000)
Subtotal		(597,835,070)
Contingency @		(119,567,014)
Fees, Assessments & Bonds - Map		(27,181,000)
Subtotal		(27,181,000)
Consultants and Engineering		(71,039,449)
Master Cost Inflation		(149,131,850)
Total Direct Costs		(964,754,384)
Indirects Insurance		(13,320,493)
Project Management		(54,024,246)
General & Administrative		(28,523,064)
Legal @ Close + Project Legal		(3,933,333)
Legal, Closing, etc. @ A&D Loan		(1,191,667)
Legal, Closing, etc. @ Lot Sales		(1,210,250)
Master Marketing Program		(32,504,988)
Miscellaneous		(2,380,000)
Development Administration Services		(16,698,567)
Alameda Debt Service & Repayment		(20,127,024)
Project Burden		(17,531,994)
Property Taxes		(7,977,944)
Total Indirect Costs		(199,423,571)
Acquisition & Development Loan - Points		(11,050,810)
Acquisition & Development Loan - Interest Reserve		(41,362,494)
Total Financing Costs		(52,413,304)
Total Cost	$	**(1,325,091,258)**
Project Profit:	$	**325,385,351**
Profit Margin on Cost:		**24.56%**
Profit Margin on Revenue:		**19.71%**
Unlevered Project IRR		**20.05%**
Levered Project IRR		**23.33%**

Product Description	Min Lot Size	Acres	# of Lots	Avg House Size	Original Pricing	Original PSF	Net House Pricing	Net PSF	Prem	Option	Directs	Wrap Insurance	Soffs	Builder Margin	PLV
Low Density - 10 du/ac	10	65.8	649	2,500	$ 900,000	$ 360	$ 936,000	$ 374	1.0%	3.0%	$ 105	0	18.50%	10.00%	$ 394,500
Medium Density - 17 du/ac	17	36.6	474	1,400	$ 750,000	$ 536	$ 780,000	$ 557	1.0%	3.0%	$ 115	10,000	20.00%	12.00%	$ 349,650
Med-High Density - 30 du/ac	30	32.6	696	1,200	$ 600,000	$ 500	$ 624,000	$ 520	1.0%	3.0%	$ 125	10,000	20.00%	12.00%	$ 256,520
High Density - 50 du/ac	50	22.8	1,140	1,200	$ 550,000	$ 458	$ 572,000	$ 477	1.0%	3.0%	$ 268	10,000	20.00%	12.00%	$ 50,210
Mixed Use - 50 du/ac	50	12.6	628	1,200	$ 550,000	$ 458	$ 572,000	$ 477	1.0%	3.0%	$ 268	10,000	20.00%	12.00%	$ 50,210
Reuse - Big Whites	18,692	110	19	2,400	$ 900,000	$ 375	$ 936,000	$ 390	1.0%	3.0%	$ 42	10,000	20.00%	10.00%	$ 533,500
Reuse - Ranches	15,000	8.1	26	2,200	$ 670,000	$ 305	$ 696,800	$ 317	1.0%	3.0%	$ 45	10,000	20.00%	10.00%	$ 369,030
Medium Density -Affordable 17 du/ac	17	0.0	142	1,200	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Med-High Density -Affordable 30 du/ac	30	0.0	278	1,200	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Mixed Use -Affordable 50 du/ac	50	6.8	339	1,000	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Reuse - BEQ Affordable	0	29.8	157	800	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Reuse - BOQ Affordable	0	0.0	107	800	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Collaborative	0	8.2	186	750	$ -	$ -	$ -	$ -	0.0%	0.0%	$ -	0	0.00%	0.00%	$ -
Total/Avg - All Planning Areas		**234.3**	**4,841**	**1,351**	**$ 488,354**	**$ 362**	**$ 507,888**	**$ 376**							**$ 146,417**
Total/Avg - Mrkt Rate Planning Areas		**189.5**	**3,632**	**1,472**	**$ 650,914**	**$ 442**	**$ 676,951**	**$ 460**			**$ 172.88**				**$ 195,156**

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow
Alameda, CA

Revenue Assumptions

Planning Area	Phase	General Plan Category	# Acres	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1A	1	Low Density - 10 du/ac	8.50	10 du/ac	85	$ 410,700	$ -	$ 410,700	$ 34,909,500
1C	1	Low Density - 10 du/ac	2.67	10 du/ac	26	394,500	-	394,500	10,257,000
1D	1	Low Density - 10 du/ac	3.84	10 du/ac	38	394,500	-	394,500	14,991,000
1F	1	Low Density - 10 du/ac	3.99	10 du/ac	39	402,600	-	402,600	15,701,400
1G	1	Low Density - 10 du/ac	3.33	10 du/ac	33	394,500	-	394,500	13,018,500
1H	1	Low Density - 10 du/ac	3.33	10 du/ac	33	394,500	-	394,500	13,018,500
1I	1	Low Density - 10 du/ac	3.25	10 du/ac	32	394,500	-	394,500	12,624,000
1J	1	Medium Density - 17 du/ac	3.35	17 du/ac	41	349,650	-	349,650	14,335,650
1K	1	Med-High Density - 30 du/ac	1.28	30 du/ac	34	282,920	-	282,920	9,619,280
1L	1	Med-High Density - 30 du/ac	1.79	30 du/ac	43	280,280	-	280,280	12,512,600
1M	1	Med-High Density - 30 du/ac	5.70	30 du/ac	151	259,160		259,160	39,133,160
1O	1	Medium Density - 17 du/ac	3.74	17 du/ac	47	349,650	-	349,650	16,433,550
1P	1	Mixed Use - 50 du/ac	1.90	50 du/ac	95	101,030	-	101,030	9,597,850
1Q	1	Mixed Use - 50 du/ac	2.80	50 du/ac	140	105,870	-	105,870	14,821,800
1R	1	Mixed Use -Affordable 50 du/ac	2.90	50 du/ac	145	-	-	-	-
Affordable	1	Medium Density -Affordable 17 du/ac	-	17 du/ac	30	-	-	-	-
Affordable	1	Med-High Density -Affordable 30 du/ac	-	30 du/ac	30	-	-	-	-
1B & 1E	1	Collaborative	8.17	-	185	-	-	-	-
2A	2	Med-High Density - 30 du/ac	2.39	30 du/ac	53	261,800	-	261,800	13,290,000
2B	2	Medium Density - 17 du/ac	4.40	17 du/ac	56	356,250	-	356,250	19,950,000
2C	2	Med-High Density - 30 du/ac	4.60	30 du/ac	112	261,800	-	261,800	29,321,600
2D	2	Low Density - 10 du/ac	4.59	10 du/ac	45	402,600	-	402,600	18,117,000
2E	2	Low Density - 10 du/ac	4.59	10 du/ac	45	402,600	-	402,600	18,117,000
2F	2	Med-High Density - 30 du/ac	3.38	30 du/ac	74	282,920	-	282,920	20,936,080
2G	2	Med-High Density - 30 du/ac	3.37	30 du/ac	74	282,920	-	282,920	20,936,080
2H	2	Med-High Density - 30 du/ac	3.07	30 du/ac	74	282,920	-	282,920	20,936,080
2I	2	Mixed Use - 50 du/ac	1.72	50 du/ac	86	117,970	-	117,970	10,145,420
2J	2	High Density - 50 du/ac	2.21	50 du/ac	110	105,870	-	105,870	11,645,700
2K	2	High Density - 50 du/ac	2.77	50 du/ac	135	105,870	-	105,870	14,292,450
Affordable	2	Med-High Density -Affordable 30 du/ac	-	30 du/ac	90	-	-	-	-
Affordable	2	Medium Density -Affordable 17 du/ac	-	17 du/ac	13	-	-	-	-
3A	3	High Density - 50 du/ac	2.86	50 du/ac	143	76,830	-	76,830	10,986,690
3C	3	High Density - 50 du/ac	2.86	50 du/ac	143	76,830	-	76,830	10,986,690
3D	3	High Density - 50 du/ac	2.70	50 du/ac	135	76,830	-	76,830	10,372,050
3E	3	Med-High Density - 30 du/ac	4.06	30 du/ac	41	264,440	-	264,440	10,842,040
3F	3	Med-High Density - 30 du/ac	3.98	30 du/ac	41	264,440	-	264,440	10,842,040
3G	3	High Density - 50 du/ac	2.57	50 du/ac	128	91,350	-	91,350	11,692,800
3H	3	High Density - 50 du/ac	3.61	50 du/ac	180	93,770	-	93,770	16,878,600
3I	3	Mixed Use - 50 du/ac	2.63	50 du/ac	131	105,450	-	105,450	13,851,950
3K	3	Low Density - 10 du/ac	1.97	10 du/ac	19	467,400	-	467,400	8,880,600
3K-1	3	Medium Density - 17 du/ac	1.33	17 du/ac	20	356,250	-	356,250	7,125,000
3L	3	Low Density - 10 du/ac	1.95	10 du/ac	19	467,400	-	467,400	8,880,600
3M	3	Medium Density - 17 du/ac	1.59	17 du/ac	19	349,650	-	349,650	6,643,350
3N	3	Low Density - 10 du/ac	2.35	10 du/ac	23	471,450	-	471,450	10,843,350
3O	3	Medium Density - 17 du/ac	1.93	17 du/ac	24	349,650	-	349,650	8,391,600
3P	3	Low Density - 10 du/ac	2.13	10 du/ac	21	471,450	-	471,450	9,900,450
3P1	3	Medium Density - 17 du/ac	1.85	17 du/ac	23	343,050	-	343,050	7,890,150
3R	3	Low Density - 10 du/ac	1.94	10 du/ac	19	475,500	-	475,500	9,034,500
3R1	3	Medium Density - 17 du/ac	1.59	17 du/ac	22	356,250	-	356,250	7,837,500
3S	3	Low Density - 10 du/ac	1.81	10 du/ac	18	479,550	-	479,550	8,631,900
3T	3	Medium Density - 17 du/ac	1.82	17 du/ac	23	418,950	-	418,950	9,635,850
Affordable	3	Med-High Density -Affordable 30 du/ac	-	30 du/ac	158	-	-	-	-
Affordable	3	Medium Density -Affordable 17 du/ac	-	17 du/ac	44	-	-	-	-
AC	AR	Reuse - Big Whites	11.07	18,692	19	533,500	-	533,500	10,136,500
AE	AR	Reuse - BFQ Affordable	29.81	-	157	-	-	-	-
AL	AR	Reuse - Ranches	8.07	15,000	26	369,050	-	369,050	9,595,300
AH	AR	Reuse - BOQ Affordable	-	-	107	-	-	-	-
4A	4	Mixed Use - 50 du/ac	3.52	50 du/ac	176	101,030	-	101,030	17,781,280
4B	4	Mixed Use -Affordable 50 du/ac	3.88	50 du/ac	194	-	-	-	-
4C	4	High Density - 50 du/ac	3.33	50 du/ac	166	103,450	-	103,450	17,172,700
5E	5	Medium Density - 17 du/ac	4.94	17 du/ac	67	356,250	-	356,250	23,868,750
5F	5	Medium Density - 17 du/ac	3.53	17 du/ac	48	369,450	-	369,450	17,733,600
5G	5	Medium Density - 17 du/ac	3.06	17 du/ac	41	366,150	-	366,150	15,012,150
5H	5	Medium Density - 17 du/ac	3.23	17 du/ac	43	369,450	-	369,450	15,886,350
5I	5	Low Density - 10 du/ac	5.35	10 du/ac	53	418,800	-	418,800	22,196,400
5J	5	Low Density - 10 du/ac	5.35	10 du/ac	53	418,800	-	418,800	22,196,400
5K	5	Low Density - 10 du/ac	4.85	10 du/ac	48	418,800	-	418,800	20,102,400
Affordable	5	Medium Density -Affordable 17 du/ac	-	17 du/ac	50	-	-	-	-
Totals/Averages			234.28		4,841	$ 169,485	$ -	$ 169,485	$ 826,090,740

Planning Area	Phase	General Plan Category	# of Acres	FAR	$/Acre	Land Total Sq Ft	Commercial Land Pricing / Sq. Ft. Value	Premium	Total	Total Revenue
PHASE 1							$ -	$ -	$ -	$ -
1S	1	Commercial	8.75	1.5	740,520	381,150	17.00	-	17.00	6,479,550
1T1	1	Commercial	3.61	1.5	740,520	157,252	17.00	-	17.00	2,673,277
1P	1	Mixed Use - 50 du/ac	-	0.2	740,520	82,764	17.00	-	17.00	1,406,988
1Q	1	Mixed Use - 50 du/ac	-	0.2	740,520	121,968	17.00	-	17.00	2,073,456
1R	1	Mixed Use -Affordable 50 du/ac	-	0.2	740,520	126,324	17.00	-	17.00	2,147,508
				0.0	-	-	-	-	-	-
PHASE 2				0.0	-	-	-	-	-	-
2I	2	Mixed Use - 50 du/ac	-	0.3	740,520	74,923	17.00	-	17.00	1,273,694
				0.0	-	-	-	-	-	-
PHASE 3				0.0	-	-	-	-	-	-
3B	3	Commercial	20.43	0.6	740,520	889,931	17.00	-	17.00	15,128,824
3I	3	Mixed Use - 50 du/ac	-	0.3	740,520	114,563	17.00	-	17.00	1,947,568
3U	3	Commercial - Marina	6.49	0.3	740,520	282,704	17.00	-	17.00	4,805,975
				0.0	-	-	-	-	-	-
ADAPTIVE REUSE				0.0	-	-	-	-	-	-
			-	0.0	-	-	-	-	-	-
PHASE 4	AR	Reuse - BOQ Affordable	-	0.0	-	-	-	-	-	-
4A	4	Mixed Use - 50 du/ac	-	0.4	740,520	153,331	17.00	-	17.00	2,606,630
4B	4	Mixed Use -Affordable 50 du/ac	-	0.3	740,520	169,013	17.00	-	17.00	2,873,218
4D	4	Commercial	5.58	0.5	740,520	243,065	17.00	-	17.00	4,132,102
4E	4	Commercial (MARAD)	6.44	0.5	740,520	280,526	17.00		17.00	4,768,940
Phase 5				0.0	-	-	-	-	-	-
5A2	5	Commercial	6.40	1.5	740,520	278,784	17.00	-	17.00	4,739,328
5B	5	Commercial	15.73	1.5	740,520	685,892	17.00	-	17.00	11,626,164
5C	5	Commercial	4.73	0.6	740,520	206,239	17.00	-	17.00	3,502,663
5C1	5	Commercial	4.15	0.6	740,520	180,774	17.00	-	17.00	3,073,158
5D	5	Commercial	9.87	0.6	740,520	429,937	17.00	-	17.00	7,308,929
				0.0	-	-	-	-	-	-
xx					-	-	-	-	-	-
Totals/Averages			92.13			4,396,946	$ -	$ -	$ -	$ 82,567,980

Planning Area	Phase	General Plan Category	# of Acres		Institutional Pricing / Acre Value	Premium	Total	Total Revenue
PHASE 1								
				-	$ -	$ -	$ -	$ -
1T2	1	Utility-Substation	0.77	-	-	-	-	-
1-1	1	Park	2.76	-	-	-	-	-
1-2	1	Park	0.52	-	-	-	-	-
1-3	1	Park	1.75	-	-	-	-	-
1-4	1	Park	0.34	-	-	-	-	-
	1	Streets	28.15	-	-	-	-	-
PHASE 2				-	-	-	-	-
2-1	2	Park	3.87	-	-	-	-	-
2-2	2	Waterfront Park	36.28	-	-	-	-	-
2L	2	ReUse-Bldg. 6 (38580 SF) Fire, EMS, Police	4.57	-	-	-	-	-
2O	2	Civic - Ferry Station	2.09	-	-	-	-	-
2M	2	ReUse-Bldg. 39 (Stadium Relocation?)	5.25	-	-	-	-	-
	2	Streets	17.66	-	-	-	-	-
PHASE 3				-	-	-	-	-
3-1	3	Park	1.86	-	-	-	-	-
3-2	3		-	-	-	-	-	-
3-3	3	Park	1.06	-	-	-	-	-
3-4	3	Park	4.53	-	-	-	-	-
3-5	3	Park	0.44	-	-	-	-	-
	3	Streets	25.25	-	-	-	-	-
				-	-	-	-	-
ADAPTIVE REUSE				-	-	-	-	-
AA	AR	Future Development	5.57	-	-	-	-	-
AB	AR	ReUse-Bldg 60 (25,233 sf) Comm Ctr	8.67	-	-	-	-	-
AD	AR	ReUse-Bldgs. 20 & 21	10.90	-	-	-	-	-
AF1	AR	ReUse-Bldgs. 94 (9,180 sf) Church	1.19	-	-	-	-	-
AF2	AR	ReUse-Bldg 18 (21,747 sf)	2.42	-	-	-	-	-
AG	AR	Elementary School	7.61	-	-	-	-	-
AH	AR	ReUse-Bldg 1 (48,946sf) City Hall	1.91	-	-	-	-	-
AI	AR	ReUse-Bldg 16 (33,133 sf) Library	3.55	-	-	-	-	-
AJ	AR	ReUse-Bldg 17	7.67	-	-	-	-	-
AK	AR	Collaborative Projects	7.25	-	-	-	-	-
A-1	AR	Sports Complex	39.91	-	-	-	-	-
A-2	AR	Park	6.77	-	-	-	-	-
A-3	AR	Park	10.96	-	-	-	-	-
	AR	Streets	31.88	-	-	-	-	-
PHASE 4				-	-	-	-	-
4-1	4	Park - Ferry Station	1.06	-	-	-	-	-
4-2	4	Park	6.18	-	-	-	-	-
4-3	4	Park	24.42	-	-	-	-	-
4-4	4	Park	0.12	-	-	-	-	-
	4	Streets	11.19	-	-	-	-	-
PHASE 5				-	-	-	-	-
5A1	5	Ferry Station Parking	2.10	-	-	-	-	-
5L	5	Civic - Middle School	17.22	-	-	-	-	-
5-1	5	Park	0.77	-	-	-	-	-
5-2	5	Park	2.58	-	-	-	-	-
	5	Streets	18.65	-	-	-	-	-
xx								
Totals/Averages			366.69	-	$ -	$ -	$ -	$ -

Project Totals/Averages			693.12					$ 908,658,720

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Draft Alameda Point Density Bonus Option Cash Flow
Alameda, CA

Annual Lot Takedown Schedule

Year							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Period						Total	5	6	7	8	9	10	11	12	13	14	15	16
LOT TAKEDOWNS		Phase	# of Lots															
1A - Low Density - 10 du/ac		1	85			85	-	-	-	-	85	-	-	-	-	-	-	-
1C - Low Density - 10 du/ac		1	26			26	-	-	-	-	26	-	-	-	-	-	-	-
1D - Low Density - 10 du/ac		1	38			38	-	-	-	-	38	-	-	-	-	-	-	-
1F - Low Density - 10 du/ac		1	39			39	-	-	-	-	39	-	-	-	-	-	-	-
1G - Low Density - 10 du/ac		1	33			33	-	-	-	33	-	-	-	-	-	-	-	-
1H - Low Density - 10 du/ac		1	33			33	-	-	-	33	-	-	-	-	-	-	-	-
1I - Low Density - 10 du/ac		1	32			32	-	-	-	32	-	-	-	-	-	-	-	-
1J - Medium Density - 17 du/ac		1	41			41	-	-	-	-	41	-	-	-	-	-	-	-
1K - Med-High Density - 30 du/ac		1	34			34	-	-	-	-	34	-	-	-	-	-	-	-
1L - Med-High Density - 30 du/ac		1	45			45	-	-	-	-	45	-	-	-	-	-	-	-
1M - Med-High Density - 30 du/ac		1	151			151	-	-	-	151	-	-	-	-	-	-	-	-
1N - 0		1	-			-	-	-	-	-	-	-	-	-	-	-	-	-
1O - Medium Density - 17 du/ac		1	47			47	-	-	-	47	-	-	-	-	-	-	-	-
1P - Mixed Use - 50 du/ac		1	95			95	-	-	-	-	95	-	-	-	-	-	-	-
1Q - Mixed Use - 50 du/ac		1	140			140	-	-	-	140	-	-	-	-	-	-	-	-
1R - Mixed Use - Affordable 50 du/ac		1	145			145	-	-	-	75	70	-	-	-	-	-	-	-
Affordable - Medium Density - Affordable 17 du/ac		1	30			30	-	-	-	15	15	-	-	-	-	-	-	-
Affordable - Med-High Density -Affordable 30 du/ac		1	30			30	-	-	-	15	15	-	-	-	-	-	-	-
1B & 1E - Collaborative		1	186			186	-	-	-	186	-	-	-	-	-	-	-	-
2A - Med-high Density - 30 du/ac		2	50			50	-	-	-	-	-	-	50	-	-	-	-	-
2B - Medium Density - 17 du/ac		2	56			56	-	-	-	-	-	56	-	-	-	-	-	-
2C - Med-High Density - 30 du/ac		2	112			112	-	-	-	-	-	-	112	-	-	-	-	-
2D - Low Density - 10 du/ac		2	45			45	-	-	-	-	-	-	45	-	-	-	-	-
2E - Low Density - 10 du/ac		2	45			45	-	-	-	-	-	45	-	-	-	-	-	-
2F - Med-High Density - 30 du/ac		2	74			74	-	-	-	-	-	-	74	-	-	-	-	-
2G - Med-High Density - 30 du/ac		2	74			74	-	-	-	-	-	74	-	-	-	-	-	-
2H - Med-High Density - 30 du/ac		2	74			74	-	-	-	-	-	-	74	-	-	-	-	-
2I - Mixed Use - 50 du/ac		2	86			86	-	-	-	-	-	-	86	-	-	-	-	-
2J - High Density - 50 du/ac		2	110			110	-	-	-	-	-	110	-	-	-	-	-	-
2K - High Density - 50 du/ac		2	135			135	-	-	-	-	-	135	-	-	-	-	-	-
Affordable - Med-high Density -Affordable 30 du/ac		2	90			90	-	-	-	-	-	45	45	-	-	-	-	-
Affordable - Medium Density -Affordable 17 du/ac		2	18			18	-	-	-	-	-	18	-	-	-	-	-	-
- 0			-			-	-	-	-	-	-	-	-	-	-	-	-	-
3A - High Density - 50 du/ac		3	143			143	-	-	-	-	-	-	-	-	143	-	-	-
3C - High Density - 50 du/ac		3	143			143	-	-	-	-	-	-	-	143	-	-	-	-
3D - High Density - 50 du/ac		3	135			135	-	-	-	-	-	-	-	135	-	-	-	-
3E - Med-High Density - 30 du/ac		3	44			44	-	-	-	-	-	-	44	-	-	-	-	-
3F - Med-High Density - 30 du/ac		3	41			41	-	-	-	-	-	-	41	-	-	-	-	-
3H - High Density - 50 du/ac		3	128			128	-	-	-	-	-	-	128	-	-	-	-	-
3G - High Density - 50 du/ac		3	180			180	-	-	-	-	-	-	180	-	-	-	-	-
3I - Mixed Use - 50 du/ac		3	131			131	-	-	-	-	-	131	-	-	-	-	-	-
3K - Low Density - 10 du/ac		3	19			19	-	-	-	-	-	-	19	-	-	-	-	-
3K-1 - Medium Density - 17 du/ac		3	20			20	-	-	-	-	-	-	20	-	-	-	-	-
3L - Low Density - 10 du/ac		3	19			19	-	-	-	-	-	-	19	-	-	-	-	-
3M - Medium Density - 17 du/ac		3	17			17	-	-	-	-	-	-	17	-	-	-	-	-
3N - Low Density - 10 du/ac		3	23			23	-	-	-	-	-	-	23	-	-	-	-	-
3O - Medium Density - 17 du/ac		3	24			24	-	-	-	-	-	-	24	-	-	-	-	-
3P - Low Density - 10 du/ac		3	21			21	-	-	-	-	-	-	21	-	-	-	-	-
3Q1 - Medium Density - 17 du/ac		3	23			23	-	-	-	-	-	-	23	-	-	-	-	-
3R - Low Density - 10 du/ac		3	19			19	-	-	-	-	-	-	19	-	-	-	-	-
3R1 - Medium Density - 17 du/ac		3	22			22	-	-	-	-	-	-	22	-	-	-	-	-
3S - Low Density - 10 du/ac		3	18			18	-	-	-	-	-	-	18	-	-	-	-	-
3T - Medium Density - 17 du/ac		3	23			23	-	-	-	-	-	-	23	-	-	-	-	-
Affordable - Med-High Density -Affordable 30 du/ac		3	158			158	-	-	-	-	-	-	158	-	-	-	-	-
Affordable - Medium Density -Affordable 17 du/ac		3	44			44	-	-	-	-	-	-	44	-	-	-	-	-
- 0			-			-	-	-	-	-	-	-	-	-	-	-	-	-
AG - Towne - Hip Velmes	AR		19			19	-	-	-	16	3	-	-	-	-	-	-	-
AH - Towne - HOQ Affordable	AR		157			157	-	-	-	-	-	-	-	157	-	-	-	-
AI - Towne - Rentals	AR		26			26	-	-	-	16	10	-	-	-	-	-	-	-
AE - Towne - HOQ Affordable	AR		107			107	-	-	-	-	-	107	-	-	-	-	-	-
4A - Mixed Use - 50 du/ac		4	176			176	-	-	-	-	-	-	-	-	176	-	-	-
4B - Mixed Use - Affordable 50 du/ac		4	194			194	-	-	-	-	-	-	-	-	194	-	-	-
4C - High Density - 50 du/ac		4	166			166	-	-	-	-	-	-	-	-	166	-	-	-
- 0			-			-	-	-	-	-	-	-	-	-	-	-	-	-
5E - Medium Density - 17 du/ac		5	67			67	-	-	-	-	-	-	-	-	-	67	-	-
5F - Medium Density - 17 du/ac		5	48			48	-	-	-	-	-	-	-	-	-	48	-	-
5G - Medium Density - 17 du/ac		5	41			41	-	-	-	-	-	-	-	-	-	41	-	-
5H - Medium Density - 17 du/ac		5	43			43	-	-	-	-	-	-	-	-	-	43	-	-
5I - Low Density - 10 du/ac		5	53			53	-	-	-	-	-	-	-	-	-	53	-	-
5J - Low Density - 10 du/ac		5	53			53	-	-	-	-	-	-	-	-	-	53	-	-
5K - Low Density - 10 du/ac		5	48			48	-	-	-	-	-	-	-	-	-	48	-	-
Affordable - Medium Density -Affordable 17 du/ac		5	50			50	-	-	-	-	-	-	-	-	-	50	-	-
xx - 0	xx		-			-	-	-	-	-	-	-	-	-	-	-	-	-
				Avg	Max													
TOTAL LOT TAKEDOWNS			4541	605	739	4,841	-	-	-	755	316	664	543	674	603	679	403	-
Market Rate Units				454	498	3,632	-	-	-	468	416	494	498	472	416	485	353	-

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Project Cost Escalated Schedule

Year			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Period		Total	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
OTHER REVENUES																		
1G - Commercial	12/30/2013	$ 6,649,559	$ -	$ -	$ 6,429,230	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1H - Commercial	12/30/2013	2,673,277	-	-	2,673,277	-	-	-	-	-	-	-	-	-	-	-	-	-
1P - Mixed Use - 50 du/ac	6/30/2015	1,406,958	-	-	-	-	1,406,958	-	-	-	-	-	-	-	-	-	-	-
1Q - Mixed Use - 50 du/ac	1/31/2014	7,073,456	-	-	-	2,073,456	-	-	-	-	-	-	-	-	-	-	-	-
1R - Mixed Use -Affordable 50 du/ac	1/31/2014	2,147,508	-	-	-	2,147,508	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHASE 2 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2R - Mixed Use - 50 du/ac	12/31/2017	1,273,604	-	-	-	-	-	-	1,273,604	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHASE 3 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3D - Commercial	1/1/2016	15,128,824	-	-	-	-	-	15,128,824	-	-	-	-	-	-	-	-	-	-
3I - Mixed Use - 50 du/ac	12/31/2017	1,947,568	-	-	-	-	-	-	1,947,568	-	-	-	-	-	-	-	-	-
3J - Commercial - Marina	1/1/2018	4,893,975	-	-	-	-	-	-	-	4,893,975	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADAPTIVE REUSE -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHASE 4 - Reuse - HOQ Affordable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4A - Mixed Use - 50 du/ac	10/1/2020	2,606,630	-	-	-	-	-	-	-	-	-	2,606,630	-	-	-	-	-	-
4H - Mixed Use -Affordable 50 du/ac	10/1/2025	2,873,218	-	-	-	-	-	-	-	-	-	2,873,218	-	-	-	-	-	-
4H - Commercial	10/1/2025	4,132,102	-	-	-	-	-	-	-	-	-	-4,132,102	-	-	-	-	-	-
4F - Commercial (MARAD)	1/30/2021	4,768,949	-	-	-	-	-	-	-	-	-	-	4,768,949	-	-	-	-	-
Phase 5 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5A2 - Commercial	1/1/2022	4,739,228	-	-	-	-	-	-	-	-	-	-	-	4,739,228	-	-	-	-
5B - Commercial	9/1/2024	11,626,164	-	-	-	-	-	-	-	-	-	-	11,626,164	-	-	-	-	-
5C - Commercial	6/1/2022	3,502,660	-	-	-	-	-	-	-	-	-	-	-	3,502,660	-	-	-	-
Commercial Land Price Appreciation		20,588,858	-	-	557,497	391,397	176,589	2,439,629	625,053	1,101,766	-	2,929,464	5,638,348	7,156,902	-	-	-	-
Public Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities District		199,759,542	-	-	-	-	18,576,723	22,580,385	20,137,617	23,229,335	50,846,097	17,238,262	22,136,591	34,031,291	10,573,919	-	-	-
Tax Increment Financing		235,686,324	-	-	-	-	21,333,417	18,428,051	17,185,039	29,210,634	19,477,370	32,923,087	18,926,181	37,029,548	28,067,695	16,910,617	3,098,268	3,098,268
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Master Marketing Reimbursement		32,501,588	-	-	-	2,348,160	1,733,346	2,229,220	1,822,992	2,262,703	2,024,428	2,279,529	17,605,470	-	-	-	-	-
Marina Lease NOI		36,200,323	2,612,174	6,320,555	5,890,230	5,236,746	4,649,761	3,843,923	3,633,648	2,944,649	1,648,264	-	-	-	-	-	-	-
Master Lease Reversion		49,841,559	-	-	-	-	-	-	-	-	-4,841,559	-	-	-	-	-	-	-
Marina Operating Income		2,838,648	-	-	-	-	-	-	507,660	1,015,200	1,315,248	-	-	-	-	-	-	-
Marina Reversion Value	1/31/2028	15,013,532	-	-	-	-	-	-	-	-	-	15,013,532	-	-	-	-	-	-
Interest Income		307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER REVENUE		$ 630,481,933	$ 2,612,174	$ 6,320,555	$ 15,600,947	$ 12,397,268	$ 47,877,244	$ 64,680,033	$ 46,533,264	$ 64,993,287	$ 108,152,665	$ 80,997,995	$ 80,690,102	$ 97,250,818	$ 38,641,614	$ 16,910,617	$ 3,098,268	$ 3,098,268
TOTAL PROJECT REVENUE		$ 1,674,949,055	$ 2,612,174	$ 6,320,555	$ 15,600,947	$ 129,403,950	$ 178,037,851	$ 175,014,737	$ 185,158,309	$ 189,542,371	$ 288,740,331	$ 127,436,144	$ 297,780,176	$ 97,250,818	$ 38,641,614	$ 16,910,617	$ 3,098,268	$ 3,098,268

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In-Tract Cost Assumptions

IN-TRACT COSTS		# of Lots: 0 Totals	# of Lots: 0 Per Lot		Low Density - 10 du/ac # of Lots: 649 Totals	Low Density - 10 du/ac # of Lots: 649 Per Lot		Medium Density - 17 du/ac # of Lots: 476 Totals	Medium Density - 17 du/ac # of Lots: 476 Per Lot		Med-High Density - 30 du/ac # of Lots: 696 Totals	Med-High Density - 30 du/ac # of Lots: 696 Per Lot		High Density - 50 du/ac # of Lots: 1,349 Totals	High Density - 50 du/ac # of Lots: 1,349 Per Lot
Site Prep and Grading		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -
Street Improvements		-	-		-	-		-	-		-	-		-	-
Sanitary Sewer		-	-		-	-		-	-		-	-		-	-
Water Improvements		-	-		-	-		-	-		-	-		-	-
Storm Drain & Retention		-	-		-	-		-	-		-	-		-	-
Amenities & Special Const		-	-		17,710,960	27,290		12,487,420	26,345		11,041,230	15,864		6,646,440	5,850
Utilities		-	-		-	-		-	-		-	-		-	-
Contingency		-	-	10.0%	1,771,096	2,729	10.0%	1,248,742	2,634	10.0%	1,104,123	1,586	#####	664,644	583
Fees, Assessments & Bonds-Impact Fees		-	-		36,907,321	56,868		21,614,916	45,601		30,715,366	44,133		51,044,021	44,775
Fees, Assessments & Bonds-Affordable Subsidy		-	-		-	-		-	-		-	-		-	-
Consultants and Engineering		-	-		4,872,160	7,507		3,991,580	8,421		3,550,130	5,101		2,101,280	1,843
SUB-TOTAL IN-TRACT IMPROVEMENTS		**$ -**	**$ -**		**$ 61,261,537**	**$ 94,394**		**$ 39,342,658**	**$ 83,001**		**$ 46,410,849**	**$ 66,682**		**$ 60,456,385**	**$ 53,032**
Less: Earned Fee Credits		-	-		(21,466,159)	(33,076)		(13,456,349)	(28,389)		(19,165,593)	(27,537)		(31,391,919)	(27,537)
Less: Prepaid Fees by CFD		-	-		-	-		-	-		-	-		-	-
Less: Reimbursements		-	-		-	-		-	-		-	-		-	-
TOTAL IN-TRACT IMPROVEMENTS		**$ -**	**$ -**		**$ 39,795,378**	**$ 61,318**		**$ 25,886,309**	**$ 54,612**		**$ 27,245,256**	**$ 39,145**		**$ 29,064,466**	**$ 25,495**

IN-TRACT COSTS		Mixed Use - 50 du/ac # of Lots: 625 Totals	Mixed Use - 50 du/ac # of Lots: 625 Per Lot		Reuse - Big Whites # of Lots: 19 Totals	Reuse - Big Whites # of Lots: 19 Per Lot		Reuse - Ranches # of Lots: 26 Totals	Reuse - Ranches # of Lots: 26 Per Lot	Med-Density Afford. 17 du/ac # of Lots: 142 Totals	Med-Density Afford. 17 du/ac # of Lots: 142 Per Lot	Med-High Density Afford. 30 du/ac # of Lots: 278 Totals	Med-High Density Afford. 30 du/ac # of Lots: 278 Per Lot
Site Prep and Grading		$ -	$ -		$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -
Street Improvements		-	-		-	-		-	-	-	-	-	-
Sanitary Sewer		-	-		-	-		-	-	-	-	-	-
Water Improvements		-	-		-	-		-	-	-	-	-	-
Storm Drain & Retention		-	-		-	-		-	-	-	-	-	-
Amenities & Special Const		3,657,870	5,825		-	-		-	-	-	-	-	-
Utilities		-	-		-	-		-	-	-	-	-	-
Contingency	10.0%	365,787	582		-	-		-	-	-	-	-	-
Fees, Assessments & Bonds-Impact Fees		28,118,987	44,775		822,806	43,306		1,107,900	42,577	-	-	-	-
Fees, Assessments & Bonds-Affordable Subsidy		-	-		-	-		-	-	1,391,600	9,800	-	-
Consultants and Engineering		1,156,440	1,841		-	-		-	-	-	-	-	-
SUB-TOTAL IN-TRACT IMPROVEMENTS		**$ 33,299,084**	**$ 53,024**		**$ 822,806**	**$ 43,306**		**$ 1,107,900**	**$ 42,577**	**$ 1,391,600**	**$ 9,800**	**$ -**	**$ -**
Less: Earned Fee Credits		(17,293,092)	(27,537)		(434,182)	(22,852)		(593,217)	(22,816)	-	-	-	-
Less: Prepaid Fees by CFD		-	-		-	-		-	-	-	-	-	-
Less: Reimbursements		-	-		-	-		-	-	-	-	-	-
TOTAL IN-TRACT IMPROVEMENTS		**$ 16,005,992**	**$ 25,487**		**$ 388,624**	**$ 20,454**		**$ 513,784**	**$ 19,761**	**$ 1,391,600**	**$ 9,800**	**$ -**	**$ -**

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In-Tract Cost Assumptions

	Low Density -Affordable 10 du/ac # of Lots: 0		High Density -Affordable- 50 du/ac # of Lots: 0		Mixed Use -Affordable 50 du/ac # of Lots: 339		Reuse - BEQ Affordable # of Lots: 157		Reuse - BOQ Affordable # of Lots: 97	
IN-TRACT COSTS	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot
Site Prep and Grading	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Street Improvements	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	-	-	-	-	-	-
Water Improvements	-	-	-	-	-	-	-	-	-	-
Storm Drain & Retention	-	-	-	-	-	-	-	-	-	-
Amenities & Special Const	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-
Fees, Assessments & Bonds-Impact Fees	-	-	-	-	-	-	-	-	-	-
Fees, Assessments & Bonds-Affordable Subsidy	-	-	-	-	52,002,600	153,400	24,460,600	155,800	16,670,600	155,800
Consultants and Engineering	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL IN-TRACT IMPROVEMENTS	$ -	$ -	$ -	$ -	$ 52,002,600	$ 153,400	$ 24,460,600	$ 155,800	$ 16,670,600	$ 155,800
Less: Banned Fee Credits	-	-	-	-	-	-	-	-	-	-
Less: Prepaid Fees by CFD	-	-	-	-	-	-	-	-	-	-
Less: Reimbursements	-	-	-	-	-	-	-	-	-	-
TOTAL IN-TRACT IMPROVEMENTS	$ -	$ -	$ -	$ -	$ 52,002,600	$ 153,400	$ 24,460,600	$ 155,800	$ 16,670,600	$ 155,800

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In-Tract Cost Assumptions

IN-TRACT COSTS		TOTAL # of Lots: 4,655 Totals	Per Lot
Site Prep and Grading		$ -	$ -
Street Improvements		-	-
Sanitary Sewer		-	-
Water Improvements		-	-
Storm Drain & Retention		-	-
Amenities & Special Const.		51,543,920	11,073
Utilities		-	-
Contingency	10.0%	5,154,392	1,107
Fees, Assessments & Bonds-Impact Fees		170,330,417	36,591
Fees, Assessments & Bonds-Affordable Subsidy		96,525,400	20,726
Consultants and Engineering		15,671,590	3,367
SUB-TOTAL IN-TRACT IMPROVEMENTS		$ 337,225,719	$ 72,444
Less: Earned Fee Credits		(102,800,511)	(22,299)
Less: Prepaid Fees by CFD		-	-
Less: Reimbursements		-	-
TOTAL IN-TRACT IMPROVEMENTS		$ 233,425,208	$ 50,145

TOTAL PROJECT IN-TRACT COSTS	$ 233,425,208
PER LOT	$ 50,145

NET INTRACT SUMMARY:	Total Intract Per Lot	Acres	Units	Hard Cost Per Acre	Total Hard Costs	Total Impact Fee	Impact Fee Per Unit	C&K Per Acre	Total C&E	Affordable Gap Per Unit	Affordable Gap	Fee Credit
Low Density - 10 du/ac	$ 61,318	65.8	649	$ 365,000	$ 17,710,900	$ 36,537,521	$ 56,301	$ 74,000	$ 4,872,160	$ -	$ -	$ (21,456,139)
Medium Density - 17 du/ac	$ 54,612	36.6	474	$ 341,000	$ 12,487,426	$ 21,614,916	$ 45,601	$ 109,000	$ 3,991,580	$ -	$ -	$ (13,456,349)
Med-High Density - 30 du/ac	$ 39,149	52.6	696	$ 539,000	$ 17,041,238	$ 30,715,365	$ 44,131	$ 109,000	$ 5,750,176	$ -	$ -	$ (19,165,595)
High Density - 50 du/ac	$ 25,495	22.8	1140	$ 293,000	$ 6,646,440	$ 51,014,021	$ 44,775	$ 92,000	$ 2,101,200	$ -	$ -	$ (17,291,989)
Mixed Use - 30 du/ac	$ 25,487	12.6	428	$ 293,000	$ 3,657,870	$ 28,118,987	$ 44,775	$ 93,000	$ 1,156,440	$ -	$ -	$ (17,293,003)
Reuse - Big Whites	$ 20,454	11.0	19	$ -	$ -	$ 822,806	$ 43,306	$ -	$ -	$ -	$ -	$ (474,182)
Reuse - Rengles	$ 19,764	0.1	26	$ -	$ -	$ 1,167,000	$ 42,527	$ -	$ -	$ -	$ -	$ (523,217)
Medium Density -Affordable 17 du/ac	$ 9,800	-	142	$ -	$ -	$ 3,594,955	$ 25,044	$ 109,000	$ -	$ 9,800	$ 1,391,600	$ (1,609,716)
Med-High Density - Affordable 30 du/ac	$ -	-	278	$ -	$ -	$ 6,732,116	$ 24,356	$ 109,000	$ -	$ -	$ -	$ (3,241,758)
Mixed Use -Affordable 50 du/ac	$ 153,400	6.8	336	$ -	$ -	$ 8,199,777	$ 24,188	$ 92,000	$ -	$ 153,400	$ 52,002,600	$ (3,904,538)
Reuse - BEQ Affordable	$ 155,800	20.8	157	$ -	$ -	$ 2,932,768	$ 18,680	$ -	$ -	$ 155,800	$ 24,460,600	$ (982,488)
Reuse - DOQ Affordable	$ 155,800	-	107	$ -	$ -	$ 1,998,765	$ 18,680	$ -	$ -	$ 155,800	$ 16,670,600	$ (669,567)
Total		226.1	4,655		$ 51,543,920	$ 193,765,757			$ 15,671,590		$ 94,525,600	$ (114,295,589)

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow
Alameda, CA
Notes> Fees updated per CSG's email dated 12/15/08. Andrew Thomas provided comments on 1/13/09.

RESIDENTIAL IMPACT FEE SCHEDULE

			Total All Products Types		Market Rate		Affordable	
Product Type								
Number of Units:			4,655	97.7%	3,632	78%	1,023	22%
Average Unit Size:								
Per Unit Costs to Build (ex. Land)								
IMPACT FEES:	Density	Cost	Total	Avg. Per Unit	Total	Avg. Per Unit	Total	Avg. Per Unit
EBMUD Account Establishment Fee	Per Unit or User.	$ 30.00	139,800	$ 30	107,610	$ 30	32,190	$ 30
EBMUD System Capacity Fee	SFD, assuming 5/8" line, in Region 1	$ 6,110.00	28,730,110	$ 5,096	19,855,000	$ 5,246	4,675,110	$ 4,570
	Multi-family (attached), in Region 1	$ 4,570.00						
EBMUD Water Service Installation Charge	SFD, 5/8", installed in unpaved condition	$ 882.00	2,467,897	$ 530	1,829,122	$ 504	638,775	$ 624
	Attached, 5/8", installed in unpaved condition	$ 882.00						
	MF - Per building	$ 2,617.00						
Private Fire Service Installation Charge	MF only and n/a for SFR; cost on per building.	$ 2,617.00	248,196	$ 53	185,074	$ 51	63,122	$ 62
EBMUD Wastewater Capacity Fee	All	$ 1,125.00	5,296,875	$ 1,125	4,086,000	$ 1,125	1,150,875	$ 1,125
City of Alameda Sewer Connection	All - Per AT, per building, not unit	$ 921.00	2,149,467	$ 462	1,740,422	$ 479	409,035	$ 400
City of Alameda Storm Water Utility Fee	All	$ 167.00	777,285	$ 167	606,544	$ 167	170,841	$ 167
City of Alameda School Fees	All	$ 3.55	21,604,545	$ 4,641	18,612,225	$ 5,125	2,992,650	$ 2,925
Citywide Development Fee	SF Detached, units 1,800 SF or >	$ 4,085.00	16,496,479	$ 3,544	12,968,152	$ 3,571	3,528,327	$ 3,449
	SF Med	$ 3,572.00						
	Duplex (and donsor, assumed)	$ 3,449.00						
	MF	$ 3,178.00						
Affordable Housing In-Lieu Fee	All Market Rate Units	$ 17,161.00	62,328,825	$ 13,390	62,328,825	$ 17,161	-	$ -
Construction and Demo Debris Fee	All	$ 641.00	2,983,856	$ 641	2,328,112	$ 641	655,745	$ 641
Dwelling Unit Tax	All	$ 1,426.00	6,638,030	$ 1,426	5,179,232	$ 1,426	1,458,798	$ 1,426
Police and Fire Fee	All	$ 0.155	991,985	$ 213	829,584	$ 228	163,401	$ 160
Community Planning Fee	All	0.8%	5,183,047	$ 1,113	4,164,683	$ 1,147	1,018,363	$ 995
Building Standards Fee	All - New Statewide Fee	$ 20.00	93,100	$ 20	72,640	$ 20	20,460	$ 20
CA Strong Motion Improvement Program	All - State of CA fee	0.0100%	172,758	$ 37	138,823	$ 38	33,935	$ 33
Construction Improvement Tax	All - 1% of valuation.	1.0%	17,276,822	$ 3,711	13,882,278	$ 3,822	3,394,544	$ 3,318
Public Art Fee	Per SPS, Section 20-65.2 of Municipal Code requires 1% of building costs up to max of $150K.	$ -	-	$ -	-	$ -	-	$ -
Total w/o Contingency			$ 168,518,085	$ 36,202	$ 148,118,408	$ 40,780	$ 20,406,678	$ 19,946
Contingency		10.0%	$ 25,277,713	$ 5,430	$ 22,217,011	$ 6,117	$ 3,060,702	$ 2,993
Total w/ Contingency			$ 193,795,797	$ 41,632	$ 170,350,417	$ 46,897	$ 23,467,381	$ 22,938

IMPACT FEE CREDITS	Amounts	Mrkt Rate %	Affordable %			
EBMUD Account Establishment Fee	0	0.0%	0.0%	-	$ -	- $ -
EBMUD System Capacity Fee		0.0%	0.0%	-	$ -	- $ -
EBMUD Water Service Installation Charge		0.0%	0.0%	-	$ -	- $ -
Private Fire Service Installation Charge		0.0%	0.0%	-	$ -	- $ -
EBMUD Wastewater Capacity Fee		0.0%	0.0%	-	$ -	- $ -
City of Alameda Sewer Connection		0.0%	50.0%	(764,517)	$ (44)	- $ -	(764,517)	$ (200)
City of Alameda Storm Water Utility Fee		0.0%	50.0%	(85,421)	$ (18)	- $ -	(85,421)	$ (84)
City of Alameda School Fees		100.0%	100.0%	(21,604,545)	$ (4,641)	(18,612,225)	$ (5,125)	(2,992,650)	$ (2,925)
Citywide Development Fee	(10,883,383)	0.0%	50.0%	(10,883,383)	$ (2,338)	(9,491,611)	$ (2,338)	(2,391,772)	$ (2,338)
Affordable Housing In-Lieu Fee		100.0%	100.0%	(62,328,825)	$ (13,390)	(62,328,825)	$ (17,161)	-	$ -
Construction and Demo Debris Fee		0.0%	50.0%	(327,872)	$ (70)	- $ -	(327,872)	$ (321)
Dwelling Unit Tax		0.0%	50.0%	(729,399)	$ (157)	- $ -	(729,399)	$ (713)
Police and Fire Fee		100.0%	100.0%	(991,985)	$ (213)	(829,584)	$ (228)	(163,401)	$ (160)
Community Planning Fee		0.0%	50.0%	(509,182)	$ (109)	- $ -	(509,182)	$ (498)
Building Standards Fee		0.0%	50.0%	(10,230)	$ (2)	- $ -	(10,230)	$ (10)
CA Strong Motion Improvement Program		0.0%	50.0%	(16,973)	$ (4)	- $ -	(16,973)	$ (17)
Construction Improvement Tax		0.0%	50.0%	(1,697,272)	$ (365)	- $ -	(1,697,272)	$ (1,659)
Public Art Fee		0.0%	50.0%	-	$ -	- $ -	-	$ -
Total w/o Contingency				$ (99,850,002)	$ (21,921)	$ (90,261,314)	$ (24,852)	$ (9,128,688)	$ (8,928)
Contingency				(14,908,500)	$ (3,268)	(13,539,197)	$ (3,728)	(1,369,303)	$ (1,339)
Total w/ Contingency				$ (114,296,502)	$ (24,554)	$ (103,800,511)	$ (28,579)	$ (10,497,991)	$ (10,263)

NET IMPACT FEES:	Total	Mrkt-Rate	Affordable			
EBMUD Account Establishment Fee	139,800	107,610	32,190	139,800	$ 30	107,610	$ 30	32,190	$ 30
EBMUD System Capacity Fee	28,730,110	19,855,000	4,675,110	28,730,110	$ 5,068	19,855,000	$ 5,246	4,675,110	$ 4,570
EBMUD Water Service Installation Charge	2,467,897	1,829,122	638,775	2,467,897	$ 530	1,829,122	$ 504	638,775	$ 624
Private Fire Service Installation Charge	248,196	185,074	63,122	248,196	$ 53	185,074	$ 51	63,122	$ 62
EBMUD Wastewater Capacity Fee	5,296,875	4,086,000	1,150,875	5,296,875	$ 1,125	4,086,000	$ 1,125	1,150,875	$ 1,125
City of Alameda Sewer Connection	1,944,948	1,740,422	204,517	1,944,948	$ 418	1,740,422	$ 479	204,517	$ 200
City of Alameda Storm Water Utility Fee	691,965	606,544	85,421	691,965	$ 149	606,544	$ 167	85,421	$ 84
City of Alameda School Fees	-	-	-	-	$ -	-	$ -	-	$ -
Citywide Development Fee	5,613,096	4,476,541	1,136,555	5,613,096	$ 1,206	4,476,541	$ 1,233	1,136,555	$ 1,111
Affordable Housing In-Lieu Fee	-	-	-	-	$ -	-	$ -	-	$ -
Construction and Demo Debris Fee	2,655,984	2,328,112	327,872	2,655,984	$ 571	2,328,112	$ 641	327,872	$ 321
Dwelling Unit Tax	5,908,631	5,179,232	729,399	5,908,631	$ 1,269	5,179,232	$ 1,426	729,399	$ 713
Police and Fire Fee	-	-	-	-	$ -	-	$ -	-	$ -
Community Planning Fee	4,673,865	4,164,683	509,182	4,673,865	$ 1,004	4,164,683	$ 1,147	509,182	$ 498
Building Standards Fee	82,870	72,640	10,230	82,870	$ 18	72,640	$ 20	10,230	$ 10
CA Strong Motion Improvement Program	155,786	138,823	16,973	155,786	$ 33	138,823	$ 38	16,973	$ 17
Construction Improvement Tax	15,579,550	13,882,278	1,697,272	15,579,550	$ 3,347	13,882,278	$ 3,822	1,697,272	$ 1,659
Public Art Fee	-	-	-	-	$ -	-	$ -	-	$ -
Total w/o Contingency	$ 69,128,083	$ 57,852,092	$ 11,275,991	$ 69,128,083	$ 14,850	$ 57,852,092	$ 15,928	$ 11,275,991	$ 11,022
Contingency	10,368,212	8,677,814	1,691,396	10,368,212	$ 2,228	8,677,814	$ 2,389	1,691,396	$ 1,653
Total w/ Contingency	$ 79,497,295	$ 66,529,906	$ 12,967,389	$ 79,497,295	$ 17,078	$ 66,529,906	$ 18,318	$ 12,967,389	$ 12,676

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow

Alameda, CA

Budget Reconciliation

	Description	TOTAL PHASE 1	TOTAL PHASE 2	TOTAL PHASE 3	TOTAL PHASE 4	TOTAL PHASE 5	TOTAL AR 1	TOTAL AR 2	TOTAL AR 3	TOTAL
	MASTER INFRASTRUCTURE									
1	DEMOLITION / RELOCATION	$ 20,190,000	$ 13,937,000	$ 15,004,000	$ 3,508,000	$ 10,625,000	$ 2,233,000	$ 2,514,000	$ 1,442,000	$ 69,453,000
2	REMEDIATION	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS
3	GRADING	$ 18,890,000	$ 25,389,000	$ 31,245,000	$ 6,517,000	$ 15,442,000	$ 13,008,000	$ 163,000	$ 2,578,000	$ 113,232,000
4	DEWATERING	$ 3,349,000	$ 2,167,000	$ 2,011,000	$ 1,573,000	$ 2,495,000	$ 1,355,000	$ 532,000	$ 1,029,000	$ 14,511,000
5	SANITARY SEWER	$ 13,349,000	$ 4,563,000	$ 3,440,000	$ 2,718,000	$ 2,006,000	$ 2,802,000	$ 1,260,000	$ 1,537,000	$ 31,675,000
6	STORM DRAIN	$ 13,006,000	$ 4,839,000	$ 4,313,000	$ 3,300,000	$ 4,437,000	$ 4,647,000	$ 3,861,000	$ 1,876,000	$ 40,279,000
7	POTABLE WATER	$ 3,079,000	$ 1,646,000	$ 2,361,000	$ 1,515,000	$ 1,038,000	$ 1,691,000	$ 900,000	$ 1,352,000	$ 13,582,000
8	RECLAIMED WATER	$ 1,966,000	$ 985,000	$ 1,057,000	$ 691,000	$ 904,000	$ 633,000	$ 208,000	$ 239,000	$ 6,683,000
9	STREET WORK	$ 11,826,550	$ 6,486,000	$ 6,168,000	$ 3,550,000	$ 3,900,450	$ 3,343,000	$ 1,099,000	$ 2,111,350	$ 38,484,350
10	REGIONAL TRANSPORTATION	$ 7,368,000	$ 21,418,000	$ 50,706,000	$ 782,000	$ 5,264,000	$ 4,670,000	$ 10,000	$ 10,000	$ 90,228,000
11	DRY UTILITIES	$ 3,545,000	$ 2,601,000	$ 4,565,000	$ 1,555,000	$ 1,926,000	$ 1,754,000	$ 783,000	$ 1,621,000	$ 18,350,000
12	LANDSCAPING	$ 9,846,000	$ 21,409,000	$ 15,417,000	$ 26,002,000	$ 3,219,000	$ 7,528,000	$ -	$ 5,090,000	$ 88,511,000
13	MISCELLANEOUS	$ 2,000,000	$ 14,500,000	$ 21,500,000	$ 2,000,000	$ 2,000,000	$ 667,000	$ 667,000	$ 667,000	$ 44,001,000
	TOTAL MASTER INFRASTRUCTURE COST (to	$ 108,410,000	$ 119,940,000	$ 157,790,000	$ 53,710,000	$ 53,260,000	$ 44,330,000	$ 12,000,000	$ 19,550,000	$ 568,950,000
	SOFT COSTS									
14	CONSTRUCTION ADMIN	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	$ -
15	PROFESSIONAL SERVICES	$ 10,841,000	$ 11,994,000	$ 15,779,000	$ 5,371,000	$ 5,326,000	$ 4,433,000	$ 1,200,000	$ 1,955,000	$ 56,899,000
16	FEES	$ 5,257,000	$ 5,389,000	$ 7,019,000	$ 2,588,000	$ 2,769,000	$ 2,221,000	$ 591,000	$ 1,347,000	$ 27,181,000
17	MAINTENANCE & REPAIR	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,000,000
18	IMPROVEMENT ACCEPTANCE	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,000,000
19	ASSESSMENT DISTRICT / BENEFIT DISTRICT	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS	BY OTHERS
	TOTAL SOFT COSTS (to nearest $10,000)	$ 16,600,000	$ 17,880,000	$ 23,300,000	$ 8,460,000	$ 8,600,000	$ 7,150,000	$ 2,290,000	$ 3,800,000	$ 88,080,000
	TOTAL CBG CONSTRUCTION COST (to nearest $	**$ 125,010,000**	**$ 137,820,000**	**$ 181,090,000**	**$ 62,170,000**	**$ 61,860,000**	**$ 51,480,000**	**$ 14,290,000**	**$ 23,350,000**	**$ 657,070,000**

CBG Budget Categorized by SunCal Line-Items:	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	AR 1	AR 2	AR 3	TOTAL
Demo, Site Prep, & Grading	42,429,000	41,493,000	48,260,000	11,598,000	28,562,000	16,596,000	3,209,000	5,049,000	197,196,000
Street Improvements	11,826,550	6,486,000	6,168,000	3,550,000	3,900,450	3,343,000	1,099,000	2,111,350	38,484,350
Sanitary Sewer	13,349,000	4,563,000	3,440,000	2,718,000	2,006,000	2,802,000	1,260,000	1,537,000	31,675,000
Water Improvements	5,045,000	2,631,000	3,418,000	2,206,000	1,942,000	2,324,000	1,108,000	1,591,000	20,265,000
Storm Drain	13,006,000	4,839,000	4,313,000	3,300,000	4,437,000	4,647,000	3,861,000	1,876,000	40,279,000
Amenities & Special Construction	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Utilities	3,545,000	2,601,000	4,565,000	1,555,000	1,926,000	1,754,000	783,000	1,621,000	18,350,000
Fees, Assessments & Bonds - Map	5,257,000	5,389,000	7,019,000	2,588,000	2,769,000	2,221,000	591,000	1,347,000	27,181,000
Fees, Assessments & Bonds - Other	0	0	0	0	0	0	0	0	0
Consultants and Engineering	10,841,000	11,994,000	15,779,000	5,371,000	5,326,000	4,433,000	1,200,000	1,955,000	56,899,000
CBG Budget in SunCal Format	105,798,550	80,496,000	93,462,000	33,386,000	51,368,450	38,620,000	13,611,000	17,587,350	434,329,350
Adjustments:									
Amenities & Special Construction	$ 17,214,000	$ 55,327,000	$ 64,964,599	$ 47,442,095	$ 8,483,000	$ 17,288,000	$ 10,000	$ 10,000	$ 210,738,693
Affordable Subsidy	-	-	-	-	-	-	-	-	-
Environmental Remediation Gap	1,209,000	1,958,000	3,953,000	1,238,000	2,572,000	398,333	398,333	398,333	12,125,000
Collaborative Housing Relocations & Improvements	6,142,146	2,047,382	-	-	-	-	-	-	8,189,527
Marina Development Costs	16,032,500	-	-	-	-	-	-	-	16,032,500
Section 106 Mitigation - Rehab Survey	100,000	100,000	100,000	100,000	100,000	-	-	-	500,000
Total Adjustments	$ 40,697,646	$ 59,432,382	$ 69,017,599	$ 48,780,095	$ 11,155,000	$ 17,686,333	$ 408,333	$ 408,333	$ 247,585,720

SunCal Master Infrastructure Budget	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	AR 1	AR 2	AR 3	TOTAL
Demo, Site Prep, & Grading	49,780,146	45,498,382	52,213,000	12,836,000	31,134,000	16,994,333	3,607,333	5,447,333	217,510,527
Street Improvements	11,826,550	6,486,000	6,168,000	3,550,000	3,900,450	3,343,000	1,099,000	2,111,350	38,484,350
Sanitary Sewer	13,349,000	4,563,000	3,440,000	2,718,000	2,006,000	2,802,000	1,260,000	1,537,000	31,675,000
Water Improvements	5,045,000	2,631,000	3,418,000	2,206,000	1,942,000	2,324,000	1,108,000	1,591,000	20,265,000
Storm Drain	13,006,000	4,839,000	4,313,000	3,300,000	4,437,000	4,647,000	3,861,000	1,876,000	40,279,000
Amenities & Special Construction	33,846,500	55,927,000	65,564,599	48,042,095	9,083,000	17,788,000	510,000	510,000	231,271,193
Utilities	3,545,000	2,601,000	4,565,000	1,555,000	1,926,000	1,754,000	783,000	1,621,000	18,350,000
Subtotal Hard Costs	130,398,196	122,545,382	139,681,599	74,207,095	54,428,450	49,652,333	12,228,333	14,693,683	597,835,070
Fees, Assessments & Bonds - Map	5,257,000	5,389,000	7,019,000	2,588,000	2,769,000	2,221,000	591,000	1,347,000	27,181,000
Fees, Assessments & Bonds - Other	-	-	-	-	-	-	-	-	-
Consultants and Engineering	10,841,000	11,994,000	15,779,000	5,371,000	5,326,000	4,433,000	1,200,000	1,955,000	56,899,000
Total MasterCosts Before Contingency	146,496,196	139,928,382	162,479,599	82,166,095	62,523,450	56,306,333	14,019,333	17,995,683	681,915,070

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow
Alameda, CA

PUBLIC IMPROVEMENTS

	TOTAL PHASE 1	TOTAL PHASE 2	TOTAL PHASE 3	TOTAL PHASE 4	TOTAL PHASE 5	Phase 2 TOTAL AR 1	Phase 3 TOTAL AR 2	Phase 1 TOTAL AR 3	TOTAL	Contingency @ 20.0%	TOTAL w/ Contingency
Public Improvements:											
Entry Monument	1,500,000	-	1,500,000	-	1,500,000	1,500,000	-	-	6,000,000	1,200,000	7,200,000
Parks & Open Space	3,066,000	1,261,500	1,479,000	9,062,000	1,719,000	8,918,000	-	-	25,505,500	5,101,100	30,606,600
Sea Plane Lagoon Frontage	-	10,672,500	2,962,500	3,720,000	-	-	-	-	17,355,000	3,471,000	20,826,000
Sports Complex	5,280,000	9,475,000	9,475,000	13,220,000	-	-	-	-	37,450,000	7,490,000	44,940,000
Bay Trail Improvements	-	-	-	-	-	200,000	-	-	200,000	40,000	240,000
Parking Lot & LandScape Renovations	-	-	-	-	-	2,000,000	-	-	2,000,000	400,000	2,400,000
Schools	-	-	17,000,000	-	-	-	-	-	17,000,000	3,400,000	20,400,000
Library	-	11,000,000	-	-	-	-	-	-	11,000,000	2,200,000	13,200,000
Fire Station Improvements	-	1,500,000	2,500,000	-	-	-	-	-	4,000,000	800,000	4,800,000
Regional Transit	127,500	20,658,000	20,658,099	20,930,095	272,000	-	-	-	62,645,693	12,529,139	75,174,832
Offsite Road Improvements	7,240,500	760,000	9,390,000	510,000	4,992,000	4,670,000	10,000	10,000	27,582,500	5,516,500	33,099,000
Total	$ 17,214,000	$ 55,327,000	$ 64,964,599	$ 47,442,095	$ 8,483,000	$ 17,288,000	$ 10,000	$ 10,000	$ 210,738,693	$ 42,147,739	$ 252,886,432

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow

Alameda, CA

Cash Flow Summary

Year				2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Period			Total	1	2	3	4	5	6	7	8	9	10
Units Delivered			4,841	-	-	-	-	-	-	-	759	516	664
REVENUES													
	Land Residual Total		$ 1,108,104,021	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,710,234	$ 121,909,043	$ 131,743,685	$ 127,930,157
	Less: Lot Commissions		(24,472,445)	-	-	-	-	-	-	(194,205)	(2,692,830)	(2,879,897)	(2,949,209)
NET PROJECT REVENUE			1,083,631,576	-	-	-	-	-	-	9,516,030	119,216,213	128,863,788	124,980,949
	Add: Other Revenue		566,845,034	-	257	51	-	2,612,174	6,320,555	5,890,713	7,784,907	46,294,166	47,081,580
TOTAL PROJECT REVENUE			$ 1,650,476,610	$ -	$ 257	$ 51	$ -	$ 2,612,174	$ 6,320,555	$ 15,406,742	$ 127,001,120	$ 175,157,954	$ 172,062,528
			-										
IMPROVEMENT COSTS													
	Land		$ (108,500,000)	$ (1,000,000)	$ -	$ -	$ -	$ (9,000,000)	$ -	$ -	$ -	$ -	$ -
	Commission @ Land		-	-	-	-	-	-	-	-	-	-	-
Directs	Demo, Site Prep, & Grading		(217,510,527)	-	-	-	-	-	(18,409,160)	(18,409,160)	(34,218,799)	(20,096,275)	(32,468,063)
	Street Improvements		(38,484,350)	-	-	-	-	-	-	(5,575,160)	(5,575,160)	(5,626,352)	(3,569,950)
	Sanitary Sewer		(31,675,000)	-	-	-	-	-	-	(4,962,000)	(4,962,000)	(6,704,345)	(2,181,673)
	Water Improvements		(20,265,000)	-	-	-	-	-	-	(1,990,800)	(2,654,400)	(2,992,738)	(1,563,321)
	Storm Drain		(40,279,000)	-	-	-	-	-	-	(5,411,636)	(5,411,636)	(6,313,277)	(2,865,790)
Directs	Amenities & Special Construction		(231,271,193)	-	-	-	-	-	-	(9,369,955)	(12,493,273)	(26,980,398)	(24,835,072)
	Utilities		(18,350,000)	-	-	-	-	-	-	(1,722,000)	(2,296,000)	(2,077,559)	(1,593,529)
	Contingency @ 20.00%		(119,567,014)	-	-	-	-	-	(7,254,594)	(7,254,594)	(13,793,687)	(15,592,980)	(13,744,608)
	Fees, Assessments & Bonds - Map		(27,181,000)	-	-	-	-	(1,070,919)	(2,141,838)	(2,877,605)	(3,456,706)	(3,591,125)	(4,142,625)
	Consultants and Engineering		(71,039,449)	(1,215,590)	(2,639,442)	(2,731,796)	(2,949,454)	(7,163,367)	(2,559,200)	(5,098,727)	(5,836,900)	(8,369,852)	(5,810,652)
	Master Cost Inflation		(149,131,850)	-	-	-	-	-	(910,944)	(3,816,703)	(8,410,205)	(12,331,856)	(14,776,698)
Indirects	Insurance	1.86%	(13,320,493)	-	(59,462)	-	-	(2,500,000)	(384,956)	(820,430)	(1,221,074)	(1,294,409)	(1,242,330)
	Project Management	3.50%	(54,024,246)	(16,530)	(659,771)	(661,707)	(774,736)	(126,000)	(5,178,550)	(5,178,550)	(5,178,550)	(5,178,550)	(5,178,550)
	General & Administrative	1.85%	(28,523,064)	-	(783,270)	(1,682,921)	(1,862,727)	(2,032,066)	(2,216,208)	(2,216,208)	(2,216,208)	(2,216,208)	(2,216,208)
	Legal @ Close + Project Legal		(3,933,333)	-	(237,208)	(1,115,586)	(97,951)	(150,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
	Legal, Closing, etc. @ A&D Loan		(1,191,667)	-	-	-	-	(225,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	Legal, Closing, etc. @ Lot Sales		(1,210,250)	-	-	-	-	-	-	-	(189,750)	(129,000)	(166,000)
	Master Marketing Program		(32,504,988)	(21,037)	(98,303)	(261,171)	(638,207)	(900,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
	Miscellaneous		(2,380,000)	(800)	(1,577)	(1,963)	-	-	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)
	Development Administration Services		(16,698,567)	-	-	-	-	-	(1,803,352)	(1,803,352)	(1,803,352)	(1,778,352)	(1,778,352)
	Alameda Debt Service & Repayment		(20,127,024)	-	-	-	-	-	(1,260,111)	(2,026,886)	(856,000)	(840,000)	(824,098)
	Project Burden		(17,531,994)	-	-	-	-	-	(4,041,755)	(4,378,975)	(3,101,209)	(242,268)	(25,857)
Finance	Property Taxes		(7,977,944)	-	-	-	-	(631,000)	(1,302,000)	(1,302,000)	(1,136,056)	(1,008,169)	(835,636)
1.00%	Acquisition & D - Points		(11,050,810)	-	-	-	-	(1,985,910)	-	-	(3,147,520)	-	-
8.00%	Acquisition & D - Interest Reserve		(41,362,494)	-	-	-	-	-	(2,992,117)	(5,843,680)	(5,526,698)	(5,128,268)	(2,266,779)
TOTAL DEVELOPER IMPROVEMENT COSTS			$ (1,325,091,258)	$ (2,253,957)	$ (4,479,034)	$ (6,455,144)	$ (6,323,075)	$ (25,804,261)	$ (51,994,785)	$ (91,598,420)	$ (125,025,184)	$ (129,941,980)	$ (123,625,792)
			-										
FINANCING													
	Acquisition & Development Loan		1,105,080,291	-	-	-	-	25,997,737	31,196,871	54,959,052	93,147,688	109,175,158	106,857,992
	Repayment of Acquisition & Development Loan		(1,105,080,291)	-	-	-	-	(418,333)	(5,056,444)	(12,325,394)	(101,600,896)	(140,126,363)	(136,079,527)
	Improvement Cost Reserve - (Sourced)		(16,043,569)	(225)	(25,058)	(1,485,687)	-	-	-	-	-	-	-
	Improvement Cost Reserve - Used		16,043,569	96	185	1,143,935	-	-	-	-	-	-	-
TOTAL FINANCING			$ 0	$ (129)	$ (59,151)	$ (362,669)	$ -	$ 25,579,404	$ 26,140,427	$ 42,633,658	$ (8,453,208)	$ (30,951,205)	$ (29,221,536)
CASH FLOW TO EQUITY			$ 325,385,351	$ (2,254,086)	$ (4,537,928)	$ (6,817,763)	$ (6,323,075)	$ 2,387,317	$ (19,533,803)	$ (33,558,019)	$ (6,477,272)	$ 14,264,769	$ 19,215,200
LEVERED IRR			23.33%										
PROFIT MARGIN			19.71%										
UNLEVERED PROJECT IRR			20.06%										
TOTAL PROJECT PROFIT			$ 325,385,351										

SunCal Companies

Draft Alameda Point Density Bonus Option Cash Flow

Alameda, CA

Cash Flow Summary

Year					2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Period				Total	11	12	13	14	15	16	17	18	19	20
Units Delivered				4,841	543	674	603	679	403	-	-	-	-	-
REVENUES														
	Land Residual Total			$ 1,108,104,021	$ 142,471,423	$ 130,859,727	$ 108,586,666	$ 69,979,657	$ 239,133,349	$ 25,780,080	$ -	$ -	$ -	$ -
	Less: Lot Commissions			(24,472,445)	(2,849,428)	(2,627,801)	(2,791,452)	(2,176,184)	(4,795,837)	(515,602)	-	-	-	-
NET PROJECT REVENUE				1,083,631,576	139,621,994	128,231,926	105,795,213	67,803,473	234,337,512	25,264,478	-	-	-	-
	Add: Other Revenue			566,845,034	42,686,886	58,682,644	100,153,665	57,456,491	58,656,441	71,470,739	38,646,614	16,910,617	3,098,268	3,098,268
TOTAL PROJECT REVENUE				$ 1,650,476,610	$ 182,308,880	$ 186,914,570	$ 205,948,878	$ 125,259,964	$ 292,993,953	$ 96,735,217	$ 38,646,614	$ 16,910,617	$ 3,098,268	$ 3,098,268
				-										
IMPROVEMENT COSTS														
	Land			$ (108,500,000)	$ (6,838,103)	$ (24,638,050)	$ (23,280,869)	$ (25,316,640)	$ (18,426,338)	$ -	$ -	$ -	$ -	$ -
	Commission @ Land			-	-	-	-	-	-	-	-	-	-	-
Directs	Demo, Site Prep, & Grading			(217,510,527)	(16,409,811)	(22,827,841)	(38,394,811)	(16,276,639)	-	-	-	-	-	-
	Street Improvements			(38,484,350)	(3,977,754)	(2,587,897)	(4,954,563)	(5,197,473)	(1,420,041)	-	-	-	-	-
	Sanitary Sewer			(31,675,000)	(3,181,131)	(1,570,661)	(2,929,661)	(3,932,661)	(1,250,869)	-	-	-	-	-
	Water Improvements			(20,265,000)	(2,277,767)	(1,631,356)	(2,734,356)	(3,357,953)	(1,152,309)	-	-	-	-	-
	Storm Drain			(40,279,000)	(4,161,127)	(2,756,257)	(4,641,971)	(6,216,614)	(2,500,692)	-	-	-	-	-
Directs	Amenities & Special Construction			(231,271,193)	(39,176,176)	(20,395,236)	(40,984,705)	(51,740,576)	(5,295,803)	-	-	-	-	-
	Utilities			(18,350,000)	(2,261,116)	(1,895,241)	(2,828,241)	(2,815,567)	(860,746)	-	-	-	-	-
	Contingency @	20.00%		(119,567,014)	(13,744,608)	(12,298,076)	(15,926,639)	(15,926,639)	(4,030,591)	-	-	-	-	-
	Fees, Assessments & Bonds - Map			(27,181,000)	(3,251,463)	(2,752,191)	(1,833,243)	(1,483,514)	(579,770)	-	-	-	-	-
	Consultants and Engineering			(71,039,449)	(7,153,402)	(6,003,385)	(6,003,385)	(6,003,385)	(1,500,912)	-	-	-	-	-
	Master Cost Inflation			(149,131,850)	(18,550,304)	(17,175,741)	(32,340,957)	(34,424,442)	(6,394,001)	-	-	-	-	-
Indirects	Insurance	1.86%		(13,320,493)	(1,277,842)	(989,438)	(1,700,924)	(1,581,962)	(247,666)	-	-	-	-	-
	Project Management	3.50%		(54,024,246)	(5,178,550)	(5,178,550)	(5,178,550)	(5,178,550)	(5,178,550)	-	-	-	-	-
	General & Administrative	1.85%		(28,523,064)	(2,216,208)	(2,216,208)	(2,216,208)	(2,216,208)	(2,216,208)	-	-	-	-	-
	Legal @ Close + Project Legal			(3,933,333)	(200,000)	(200,000)	(200,000)	(200,000)	(532,589)	-	-	-	-	-
	Legal, Closing, etc. @ A&D Loan			(1,191,667)	(100,000)	(100,000)	(100,000)	(100,000)	(66,667)	-	-	-	-	-
	Legal, Closing, etc. @ Lot Sales			(1,210,250)	(135,750)	(168,500)	(150,750)	(169,750)	(100,750)	-	-	-	-	-
	Master Marketing Program			(32,504,988)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(21,586,271)	-	-	-	-	-
	Miscellaneous			(2,380,000)	(240,000)	(240,000)	(240,000)	(240,000)	(215,660)	-	-	-	-	-
	Development Administration Services			(16,698,567)	(1,778,352)	(1,753,352)	(1,753,352)	(1,176,264)	(743,448)	(454,904)	(72,136)	-	-	-
	Alameda Debt Service & Repayment			(20,127,024)	(807,905)	(792,000)	(776,000)	(760,084)	(843,920)	(924,000)	(900,000)	(876,064)	(851,942)	(6,788,013)
	Project Burden			(17,531,994)	-	-	-	(1,008,212)	(369,774)	(1,447,630)	(1,415,171)	(1,501,143)	-	-
Finance	Property Taxes			(7,977,944)	(679,643)	(527,551)	(348,025)	(162,985)	(24,878)	-	-	-	-	-
1.00%	Acquisition & D - Points			(11,050,810)	(4,814,200)	-	-	(1,103,180)	-	-	-	-	-	-
8.00%	Acquisition & D - Interest Reserve			(41,362,494)	(1,703,705)	(1,893,088)	(3,522,444)	(7,589,009)	(4,896,706)	-	-	-	-	-
TOTAL DEVELOPER IMPROVEMENT COSTS				$ (1,325,091,258)	$ (141,114,919)	$ (131,590,586)	$ (194,039,654)	$ (195,178,306)	$ (80,435,158)	$ (2,826,535)	$ (2,387,307)	$ (2,377,207)	$ (851,942)	$ (6,788,013)
				-										
FINANCING														
	Acquisition & Development Loan			1,105,080,291	102,824,486	112,371,370	194,039,654	194,075,126	80,435,158	-	-	-	-	-
	Repayment of Acquisition & Development Loan			(1,105,080,291)	(101,048,593)	(110,171,623)	(164,759,103)	(100,207,971)	(233,286,044)	-	-	-	-	-
	Improvement Cost Reserve - (Sourced)			(16,043,569)	-	-	-	-	(3,000,000)	(3,000,000)	-	(3,000,000)	(3,000,000)	(2,532,600)
	Improvement Cost Reserve - Used			16,043,569	-	-	-	-	366,753	1,884,356	2,188,365	2,179,106	780,946	7,499,826
TOTAL FINANCING				$ 0	$ 1,775,893	$ 2,199,747	$ 29,280,551	$ 93,867,154	$ (155,484,133)	$ (1,115,644)	$ 2,188,365	$ (820,894)	$ (2,219,054)	$ 5,022,421
CASH FLOW TO EQUITY				$ 325,385,351	$ 42,969,854	$ 57,523,731	$ 41,189,776	$ 23,948,813	$ 57,074,661	$ 92,793,039	$ 38,447,672	$ 13,712,516	$ 27,273	$ 1,332,675
LEVERED IRR				23.33%										
PROFIT MARGIN				19.71%										
UNLEVERED PROJECT IRR				20.06%										
TOTAL PROJECT PROFIT				$ 325,385,351										

Final Report

Alameda Point Pro Forma Market Review

The Economics of Land Use

Prepared for:

City of Alameda

Prepared by:

Economic & Planning Systems, Inc.

May 24, 2010

EPS #14012

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1. INTRODUCTION

As a result of the failure of Measure B in February 2010, SunCal (the Developer) has proposed two alternative land use programs for Alameda Point (the Project). A fiscal and financial review process for these alternatives is under way to assist Alameda in assessing the level of risk facing the City as a result of the Project. The ability of the Project to achieve feasibility is an important consideration in determining whether anticipated public benefits will occur as anticipated, and to determine whether the City faces any potential adverse financial or fiscal impacts on its budget. Prior market research has been updated to reflect the implications of the decline in the real estate market, as well as changes in the land use program.

Due to the dramatic disruption in financial and real estate markets, financial assumptions in the joint pro forma between SunCal and Economic & Planning Systems, Inc. (EPS) in 2008 have become obsolete and need to be updated to reflect current conditions and future prospects. Assuming the economy continues its nascent recovery, future conditions should result in improved real estate values. A market update will help to characterize trends in price and absorption, both on a regional and local level, to help determine values, timing, and risks associated with future real estate conditions and the degree of recovery and growth required for Project feasibility.

The review and update is based on research into past and current residential development including price and absorption, experience with other comparable large-scale projects in the Bay Area, consideration of factors unique to Alameda, and examination of potential economic and real estate rates of recovery. The results of the market review will provide the basis for financial projections for potential uses planned in Alameda Point under the current land use alternatives to evaluate risks and estimate the magnitude of potential returns. Public financing estimates will also be updated to reflect the impacts of market and program changes on the overall financial capacity of the Alameda Point development.

Key Findings

After reviewing SunCal's pro forma, EPS and the City have concerns about SunCal's assumptions, many of which appear to be overly optimistic. The following key findings address specific areas of concern in SunCal's financial analysis and EPS's recommended "normalized" post market recovery assumptions based on the market data presented in this analysis. Overly optimistic assumptions can significantly distort the economics of the analysis and expose the City and the Developer to unnecessary risks. Therefore, assumptions should be on the conservative side for purposes of underwriting the business terms of the Project. Comparison between SunCal's assumptions and EPS recommendations are shown in **Table 1** and described below.

Regional Supply

1. ***Alameda Point will compete with other major reuse projects that will likely be developed during the same 10- to 20-year time frame.*** These projects, including Treasure Island, Hunters Point, Baylands, Oak Knoll, and Oak to Ninth, could deliver between

20,000 and 25,000 residential units. This competition will temper price and absorption at Alameda Point.

Residential Values

2. ***SunCal's single-family residential price projections exceed current Bayport sales by 20 to 30 percent.*** SunCal's single-family price forecast is optimistic; if it is not achieved, the start of development could be delayed or financial performance will be below projections. Home values in Alameda currently average $583,000 per unit with single-family homes at Bayport selling for around $750,000 per unit. Based on EPS's market assessment, single-family home prices are more likely to be around $860,000 per unit by 2014 compared to SunCal's forecast of $1,042,000 per unit.

3. ***SunCal assumes additional view premiums above its base home price forecast.*** These premiums average 6.3 percent of the sales price and reach as high as 15 percent for some units. EPS assumes a more conservative average premium of 1.0 percent above Bayport values given the site's attributes and challenges.

4. ***SunCal forecasts residential values based on the 2002 prices per square foot increasing by 5 percent compounded annually.*** This forecasting approach ignores the recent market downturn which caused prices to fall below 2002 levels. SunCal's forecast, which begins in 2002 without accounting for the downturn, results in significant overestimates of values by 2010 and thereafter. In addition, SunCal calculates changes in price "per square foot," which mask changes in unit prices.

Residential Absorption

5. ***SunCal's projected absorption is significantly above 100 units per year average absorption experienced by Bayport.*** Bayport is a comparable master-planned community, recently developed adjacent to Alameda Point with predominantly single-family homes. Absorption in Bayport is significantly below SunCal's forecast of 233 single-family homes and townhomes per year. Between 2000 and 2009 during the formation of the housing bubble, single-family residential growth in Alameda averaged less than 75 units per year, with the highest annual increase in single-family inventory of 146 units. Because SunCal proposes a more diverse housing mix relative to Bayport and substantial community benefits, EPS' market assessment supports an average annual absorption rate of between 150 and 200 single-family and townhome units.

6. ***SunCal projects an average absorption of about 220 multifamily units per year in addition to 233 single-family and townhome units.*** The overall market-rate absorption of 454 units per year is significantly above a typical residential absorption of approximately 300 to 350 units per year for a project of this type. This range reflects construction and sales of homes by five to seven builders simultaneously, assuming an average of up to 60 sales per year.

Table 1
Key Assumption Comparison
Alameda Point Market Study; EPS #14012

Finding	Assumption	SunCal Assumption	EPS Recommendation*	% Difference
2	Single Family Home Value (in 2014)	$1,042,000	$860,000	21%
3	Average Premiums	6.3%	1.0%	530%
5	Average Single Family/Townhome Absorption (per year)	233	175 (1)	33%
6	Average Multi-Family Absorption (per year)	220	175 (1)	26%
8	Single Family Direct Construction Cost (in 2014)	$115	$130	-12%
9	Real Appreciation			
	Home Value	2.0%	1.4% (2)	43%
	Construction Cost	0.0%	0.4% (3)	-100%
10	Land Leverage (4)	full	partial	
12	Residential Land Values per Acre (in 2014)	$2.5 - $7.7 million	$2.0 - $5.3 million	25% - 45%

*Assumes a conservative estimate for forecasting purposes.

(1) Based on an annual range of 150 and 200 units.
(2) Based on a range of 1.3% to 1.5% above inflation.
(3) Based on a range of 0.3% to 0.5% above inflation.
(4) Refers to the difference in inflation rates between vertical development revenues and development costs that magnifies residual land value estimates over time.

Sources: SunCal financing plan; Economic & Planning Systems, Inc.

7. ***Alameda Point would have to capture 40 percent of all new growth in demand for multifamily housing in Oakland and Alameda combined to achieve its absorption projections.*** This is based on the absorption rate of 221 multifamily units (454 total units minus 233 single-family units) and its share relative to historic growth in Oakland and Alameda. For comparison, ABAG's regional housing needs allocation projects 843 market-rate residential units to be absorbed in Alameda between 2007 and 2014, an average of 120 units per year.

Residential Construction Costs

8. ***SunCal assumes construction costs below those likely to be experienced in a post-recovery "normalized" market.*** SunCal's assumptions for direct construction costs are very low, from about $105 per square foot for residential units in 2010 or $115 per square foot by 2014 for homes proposed to sell for over $1 million. Direct construction costs for prevailing wage development in the inner Bay Area typically range between $115 and $125 or more per square foot, which translates into $125 to $135 in 2014 after inflation.

Appreciation and Land Leverage

9. ***SunCal assumes land value appreciation rate of up to 11.9 percent a year.*** This rate of growth is due to assumed home appreciation of 2.0 percent per year above inflation and no real increase of construction costs above inflation. These assumptions result in aggressive land value estimates, especially in later years after the compounding effect is magnified and implies that land values grow at a very high rate in perpetuity. EPS projects housing appreciation of between 1.3 and 1.5 percent per year and construction cost appreciation of between 0.3 and 0.5 percent per year (above inflation) following market stabilization. These rates are based on historic real appreciation trends and imply a one percent annual real growth in residential values over construction costs, half of what is assumed by SunCal.

10. ***SunCal assumes that all home price appreciation would be captured by land values.*** While limited land leverage effects could be realized, since the land generally captures residual value (revenues minus non-land costs), this effect is not likely to achieve levels projected by SunCal and will diminish over time as strong market demand increases the cost of construction materials and services.

Commercial Program

11. ***A separate market analysis is needed to provide detail on the commercial portion of the development program.*** This analysis should provide the current market overview and commercial trends in Alameda, recommendations for commercial use allocation (i.e., retail, office, R&D), density and parking, land and building value estimates, and absorption projections based on competitive supply and demand.

Land Values

12. SunCal estimates residential land values in the range of $2.5 million to $7.7 million per acre in 2014 with a high rate of appreciation thereafter. These values match and even exceed those generated during the peak of the real estate market and appear unrealistic and likely unachievable given the slow recovery expected in the housing market and the deleveraging of home financing. EPS projects finished land values in the range of $2.0 million to $5.3 million per acre upon market recovery. These values are based on EPS' vertical development pro formas and are consistent with projections for revenues forecasted in other major reuse projects. It is anticipated that growth in land revenues will generally follow growth in prices for finished homes.

2. RESIDENTIAL MARKET REVIEW

Home Prices

Regional Trends

The San Francisco Bay Area economy entered a deep recession similar to the broader region, State, and U.S. economies by the end of 2008. Recessionary impacts have been pronounced in the Bay Area through an increase in unemployment, decrease in real wages, decline in real estate values, and reduction in consumer confidence (see **Appendix A**).

The current financial crisis, initially driven by subprime mortgage defaults and associated home foreclosures, has significantly tightened lending practices and available capital, thereby reducing demand for homes. This has corresponded to a large number of homes entering the market through foreclosure, further deflating home prices. California has the highest number of subprime mortgages in the nation, with Alameda affected by home foreclosures and associated economic impacts. Demand for commercial space has been affected by falling employment as the financial crisis has developed into what has become known as the global "Great Recession."

DQ News reported a Bay Area home sales median price drop of nearly 40 percent since the 2006 price peak. DQ News estimates the median sales price in Alameda at $582,500 per unit (new and resale) in March 2010, a slight increase from a year ago. This supports many economic forecasts of home prices continuing to improve, with economic recovery supporting moderate home price growth over the next several years.

Local Trends

Alameda's housing inventory is generally older than housing stock in many other parts of the Bay Area, with over 80 percent of the housing stock developed before the 1980s and 43 percent developed before the 1950s. The distribution of residential uses by age in Alameda shown in **Table 2** indicates that the supply of newer housing is limited. While about 53 percent of the housing inventory in Alameda is single-family, roughly 55 percent of all housing units are owner-occupied. Generally, the ownership segment represents a higher income cohort of the population, as mortgage payments are typically higher than rent.

As shown in **Table 3**, Alameda has historically experienced between two and eight annual foreclosures. Subsequent to the economic downturn, the foreclosure count increased to a high of 75 annual foreclosures in 2009. This represents a foreclosure rate of roughly 2 to 4 units per 1,000, lower than the California average of about 18.6 foreclosures per 1,000 units.

According to RAND, another sales price source, home prices in Alameda have experienced a trend similar to the broader housing market, with rapid price appreciation driving housing values to 2006-2007 peaks and declining thereafter, as shown in **Table 4**. City of Alameda mean home prices decreased from $733,400 in 2006 to $557,300 per unit in 2009, a drop of 24 percent. Single-family home sales in the City experienced a similar trend with prices decreasing from $786,600 in 2007 to $639,600 per unit in 2009, a drop of 21 percent. Although significant,

Table 2
Housing Distribution in Alameda (2008)
Alameda Point Market Study; EPS #14012

Item	Owner-Occupied Units	Owner-Occupied Distribution	Renter-Occupied Units	Renter-Occupied Distribution	Total Units	Total Distribution
Built 2005 or later	495	3%	236	2%	731	2%
Built 2000 to 2004	235	1%	37	0%	272	1%
Built 1990 to 1999	390	2%	1,054	8%	1,444	5%
Built 1980 to 1989	858	5%	2,553	18%	3,411	11%
Built 1970 to 1979	3,417	20%	1,490	11%	4,907	16%
Built 1960 to 1969	2,309	14%	1,682	12%	3,991	13%
Built 1950 to 1959	2,175	13%	593	4%	2,768	9%
Built 1940 to 1949	1,992	12%	717	5%	2,709	9%
Built before 1940	5,149	30%	5,617	40%	10,766	35%
Total	17,020	100%	13,979	100%	30,999	100%
Owner and Renter-Occupied Distribution	55%		45%		100%	

Sources: American Community Survey, Economic & Planning Systems, Inc.

Table 3
Housing Foreclosures in Alameda (2002-2009)
Alameda Point Market Study; EPS #14012

Item	2002	2003	2004	2005	2006	2007	2008	2009
Single Family Foreclosures	2	2	0	7	3	18	46	58
Annual Foreclosures (per 1,000 units)	0.12	0.12	-	0.43	0.18	1.08	2.74	3.44
All Foreclosures	2	2	2	8	4	27	67	75
Annual Foreclosures (per 1,000 units)	0.06	0.06	0.06	0.25	0.13	0.85	2.10	2.34
Single Family as % of All Foreclosures	100%	100%	0%	88%	75%	67%	69%	77%

Source: DOF, and Economic & Planning Systems, Inc.

Table 4
Alameda Mean Housing Values (constant $2010)
Alameda Point Market Study; EPS #14012

Item	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Single Family									
Sales Price per Unit	$619,432	$637,948	$753,770	$829,504	$771,356	$786,628	$719,210	$639,567	$666,542
All Residential									
Sales Price per Unit	$524,168	$551,880	$632,758	$732,395	$733,438	$696,378	$602,355	$557,279	$582,500

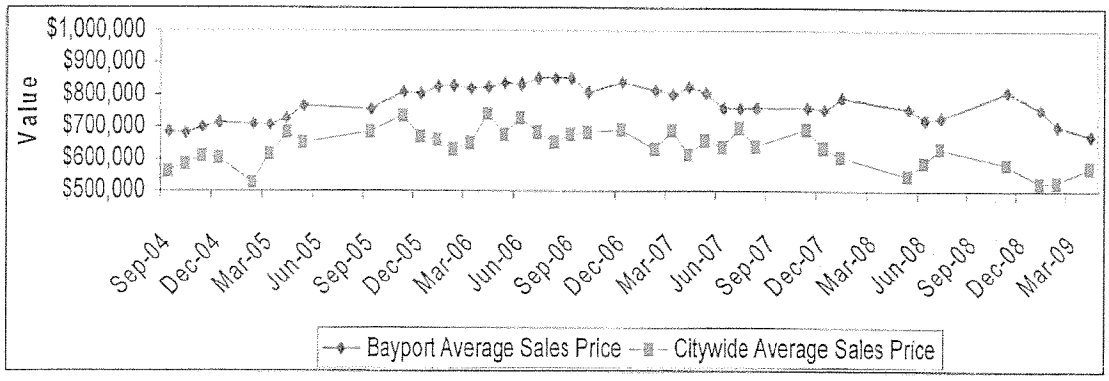
*As of March 2010.

Source: RAND, Economic & Planning Systems, Inc.

these declines in prices are not as pronounced as for the broader Bay Area home price average, which demonstrates the relative strength of the Alameda housing market as a result of its inner Bay Area location and desirable community attributes.

Bayport is a relatively new master-planned community that offers many amenities comparable to those contemplated for Alameda Point. It provides the most direct price comparison because of its master plan features and location adjacent to Alameda Point, although its units are predominantly lower density relative to the mix of low-, moderate- and high-density planned in Alameda Point. Homes for sale at Bayport are listed for $750,000 per unit, or $375 per square foot[1]. This represents roughly a 10 to 20 percent premium over the 2010 single-family median sales price in the City. This premium is consistent with the original sale prices at Bayport relative to citywide average, as shown in **Figure 1**. During buildout of the Bayport project, market-rate units generated an average premium of 22 percent over the citywide average, with premiums ranging between 6 and 43 percent. Detailed Bayport sales data are included in **Appendix B**.

Figure 1. Bayport Market-Rate Price Trends Comparison to Citywide Prices (per unit)



Note: nominal dollars

Regional Income Trends

Median household income and home value multipliers are useful measures of home affordability relative to income. These multipliers vary based on a number of factors such as interest rates, availability of capital, and lending practices. Income levels are considered on a countywide basis given the regional nature of the Alameda housing market and its competition for higher income households from the regional market area rather than income levels at a lower citywide average. For this reason, distribution of countywide income is an important determinant of achievable prices in Alameda Point.

[1] According to redfin.com

As shown in **Table 5**, nearly half of households in Alameda County make over $75,000 a year and 34 percent make over $100,000 a year. Median household income in Alameda County and the multipliers between income and home values between 2002 and 2009 are shown in **Table 6**. Before the housing boom, single-family multipliers were in the seven to eight range in Alameda, slightly above the "normal" range of four to six because of high housing demand in the inner Bay Area and relative desirability of Alameda within the broader housing market. These multipliers reached as high as 10.6 in 2005 and dropped to 6.3 in 2009 and 5.7 by early 2010. The decrease occurred because of home price appreciation at the pace of the mid-2000s not being sustainable in the long run. In a stable, sustainable market, home prices are linked to household income levels and strong employment growth. As a result, median household income and home value multipliers are likely to stabilize in the 5.5 to 6 range. These multipliers are high relative to many other geographic regions, as shown in **Appendix C**.

Housing Price Forecasts

ABAG's *Projections 2009* forecasts a moderate income growth of 1.1 percent in the inner Bay Area between 2010 and 2020, below the historic growth rate of 1.4 percent between 2002 and 2009. However, projected income growth of 1.1 percent exceeds the 0.5 percent growth forecasted for the City of Alameda. ABAG's forecasts have historically been optimistic, especially for income growth. Multipliers fluctuate based on many macro- and microeconomic conditions such as regulation and lending requirements of the private debt and equity markets, access to capital, interest rates, regional housing supply, and unemployment rate. Assuming that the 2010 median household income and home value multiplier of 5.7 is slightly compressed and short-term market recovery is likely, a longer-term home value multiplier of 6.0 is projected based on a mortgage allocation of about 33 percent of total household income[2]. These multipliers result in average home price projections of about $630,000 by 2014, based on projected median household income for Alameda County. Alameda Point is expected to achieve sales 10 to 30 percent above citywide averages, as described below.

These assumptions reflect a short-term market recovery effect with home values growing at 2.0 percent annually in real terms between 2010 and 2015 and stabilizing at about 1 percent thereafter. This translates into an average annual increase of 1.5 percent above a typical inflation rate of 3 percent a year in real terms (see **Table 7**). These growth assumptions are relatively optimistic compared to the 20-year historic price appreciation in Alameda or the broader region, as shown in **Table 8**. Specifically, while real growth in Alameda over the last 15 years was higher at 2.6 percent per year, growth over the last 20 years, which captures a full economic cycle, was lower at 0.7 percent per year.

Projections for home values in Alameda are shown in **Figure 2**, and the projected rate of increase relative to historic inflation is shown in **Figure 3**. The rate of growth is relatively optimistic and reflects market recovery, as the historic trend between 2002 and 2010 suggests that real growth has been around 1 percent in Alameda home prices. Furthermore, during a more stable period between 1988 and 1998, Alameda home prices experienced growth of 3.3 percent (no real appreciation) while regional prices experienced growth of 3.6 percent a year,

[2] Based on the underwriting standard of mortgage making up one-third of the household income; reflects a 20 percent down payment at 5.5 percent annual interest rate.

Table 5
Household Income Distribution in Alameda County (2008)
Alameda Point Market Study; EPS #14012

Item	Units	Distribution
Less than $10,000	28,239	5%
$10,000 to $14,999	23,935	5%
$15,000 to $24,999	42,631	8%
$25,000 to $34,999	37,907	7%
$35,000 to $49,999	55,722	11%
$50,000 to $74,999	85,234	16%
$75,000 to $99,999	67,079	13%
$100,000 to $124,999	52,068	10%
$125,000 to $149,999	37,526	7%
$150,000 to $199,999	43,216	8%
$200,000 or more	44,382	9%
Total	517,939	100%
Median Household Income	$70,395	

Sources: American Community Survey, Economic & Planning Systems, Inc.

Table 6
Median Household Incomes and Home Value Multipliers (constant $2010)
Alameda Point Market Study; EPS #14012

Item	2002	2003	2004	2005	2006	2007	2008	2009
Alameda County Median Household Income	$72,663	$72,332	$68,310	$69,406	$71,876	$74,308	$73,685	$88,058
Home Value Multiplier (1)	7.2	7.6	9.3	10.6	10.2	9.4	8.2	6.3

(1) Reflects mean home price divided by median household income.

Sources: American Community Survey, RAND, ABAG Projections 2009, Economic & Planning Systems, Inc.

Table 7
Alameda County Projections (2010-2020)
Alameda Point Market Study; EPS #14012

Item	2010	2015	2020	Average Annual Growth #	Average Annual Growth %
Households	557,270	585,400	615,470	58,200	1.0%
Employment	712,850	761,270	825,070	112,220	1.5%
Mean Household Income ($2005)	$91,200	$96,300	$101,600	$10,400	1.1%
Mean Household Income ($2010)	$102,432	$108,160	$114,112	$11,681	1.1%
Home Value Multiplier (1)	5.7	6.0	6.0		
Projected Mean Home Prices	$582,500	$643,550	$678,969	$96,469	1.5%

(1) Based on the 2009-2010 average applied to 2015 and 2020 multiplier; reflects a typical underwriting standard with a mortgage payment based on 1/3 of household income with a 20% downpayment at 5.5% interest rate.

Sources: ABAG Projections 2009, Economic & Planning Systems, Inc.

Table 8
Residential Housing Appreciation and Inflation (1989 - 2009)
Alameda Point Market Study; EPS #14012

Item	Annual Growth			
	Nominal Growth All Homes	Nominal Growth New Homes	Inflation	Real Growth *(all homes minus inflation)*
City of Alameda				
20-year average	3.6%	na	2.9%	0.7%
15-year average	5.4%	na	2.8%	2.6%
10-year average	6.0%	na	2.7%	3.4%
5-year average	-1.2%	na	2.5%	-3.7%
Regional Trends (1)				
20-year average	3.0%	2.1%	2.9%	0.1%
15-year average	3.9%	3.9%	2.8%	1.1%
10-year average	3.1%	2.6%	2.7%	0.4%
5-year average	-6.3%	-2.6%	2.5%	-8.7%

(1) Includes the Oakland, Berkeley and Alameda.

Sources: Bureau of Labor Statistics; Data Quick; Economic & Planning Systems, Inc.

just 0.3 percent real appreciation above inflation. DataQuick data for annual prices in Alameda homes and regional averages are shown in detail in **Appendix D**. On a national level, home prices have experienced no real growth over the last century (from 1890 to 1990s), as shown in **Appendix E**. It is worth noting that **Appendix E** presents a home value index without the bias for improvement in quality of new homes over time that make up a share of all home sales. Data sources used in this analysis generally overestimate home value growth over time because of this bias.

Figure 2. Home Values in Alameda ($2010)

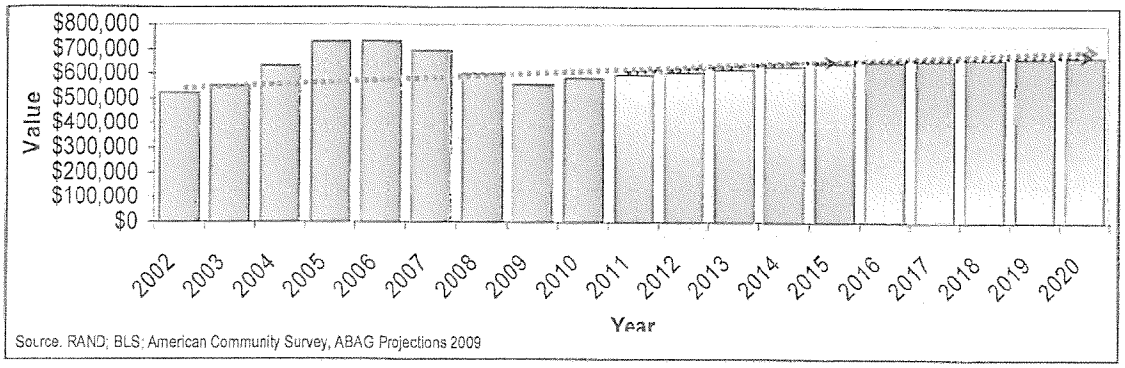
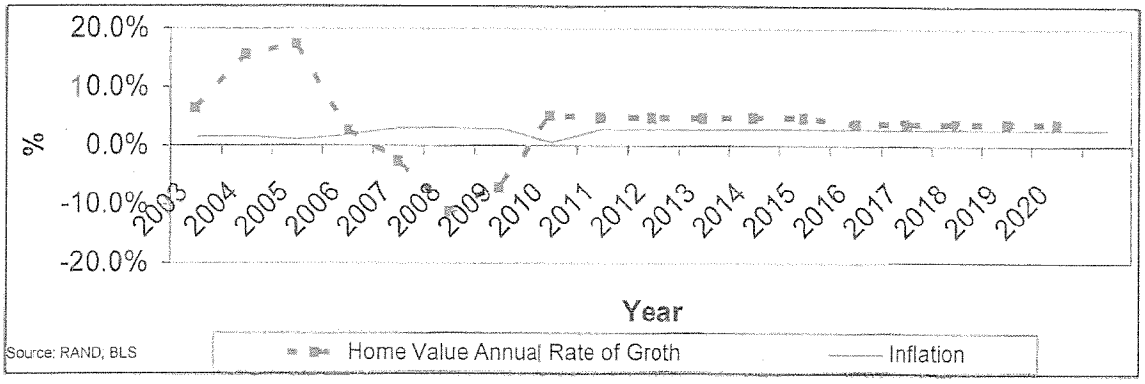


Figure 3. Home Value Annual Rate of Growth in Alameda



Although this projection sets the general basis for forecasting future home prices for Alameda Point, the forecast has to consider a distribution of housing types that are proposed within Alameda that may not be directly comparable to the existing housing inventory. Market data suggests that sales in Bayport exceed the average home prices in the City by 10 to 30 percent. In other words, households generating incomes above the mean are more likely to purchase units planned in Alameda Point. About one-third of households in Alameda County make over $100,000 a year, which could enable them to purchase homes exceeding the City's average.

Table 9
Alameda Point Single Family Price Point Forecast (2013-2020)
Alameda Point Market Study; EPS #14012

Item	2013	2014	2015	2016	2017	2018	2019	2020
Citywide Price Forecast	$618,398	$630,849	$643,550	$650,483	$657,490	$664,573	$671,733	$678,969
Alameda Point Premium (1)	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Alameda Point Single Family Price Projection (Constant $)	$751,389	$766,518	$781,951	$790,375	$798,889	$807,495	$816,194	$824,987
Alameda Point Single Family Price Projection (Nominal $)	$821,063	$862,722	$906,495	$943,749	$982,533	$1,022,911	$1,064,948	$1,108,713

(1) Based on historic Bayport sales premium above average home prices.

Source: Economic & Planning Systems, Inc.

An average premium of 22 percent was generated by Bayport residential unit sales relative to the City average. **Table 9** shows the forecast for average price points, assuming a similar premium could be supported by Alameda Point. This forecast shows Alameda Point prices growing at the same rate as citywide prices with the fixed premium over time. Based on the multipliers described above, single-family units in Alameda Point could be purchased by roughly the top one-third of Alameda County households based on income.

Applying the assumptions about home value multipliers and market recovery factors described above, demand will be generated for various housing price points by households in different income brackets. The distribution of housing prices over time based on incomes is shown in **Table 10**.[3] If Alameda Point would capture the same distribution of incomes as the County average, home prices could range from $600,000 and up and would increase by about 1.5 percent per year above inflation on average over the next 10 years. The strongest demand, about half of the total, would be for units in the $600,000 to $830,000 range. The Project's ability to capture various income levels will depend on a wider range of factors, such as other major reuse and redevelopment projects that could be developed in the market area during a similar time frame, transit linkages, and public facilities and services.

Absorption

The inner Bay Area (San Francisco and portions of Alameda County) is projected to add 84,000 households between 2010 and 2020, an annual growth rate of about 1.0 percent (see **Table 11**). Assuming that incomes would be similar to the existing distribution, about one-third or 28,500 new households would be able to afford homes in Alameda Point. Alameda Point needs to capture roughly 15 percent of the regional household growth to achieve SunCal's assumed absorption.

ABAG *Projections 2009* indicates that the City of Alameda will grow by about 1,640 housing units over the next 10 years, an average growth of 164 units per year (see **Table 12**). This growth translates into an annual average rate of 0.5 percent per year and exceeds the historic rate of growth in the City between 2000 and 2009. During this time period, the highest annual increase in single-family inventory was 146 units. However, this projection does not capture development of Alameda Point, which could offer a range of new housing types and densities that are not currently available in the Alameda housing market. In addition, potential accessibility improvements, such as construction of a new ferry terminal, could have a positive impact on the residential absorption, especially for higher-density units.

SunCal's residential absorption assumption for Alameda Point of 454 market-rate units per year represents about 1.4 percent annual growth of the City's residential unit inventory, almost triple ABAG's rate of projected household growth for the City as a whole. Total SunCal absorption, including affordable units, would result in an average annual increase of 605 units or 1.9 percent, nearly four times the rate of residential growth projected by ABAG for the City as a

[3] Assuming no significant changes in income have occurred between 2008 and 2010 and that most of the households within each income range generate income within the mid-point of the range.

Table 10
Alameda County Demand Distribution for Home Prices (2010-2020)
Alameda Point Market Study; EPS #14012

Item	Income Distribution	2010		2015 (1)		2020 (2)	
		Multiplier	Housing Value	Multiplier	Housing Value	Multiplier	Housing Value
Income Range							
$75,000 to $99,999	13%	7.4	$647,877	7.7	$714,195	7.7	$710,827
$100,000 to $124,999	10%	7.4	$832,986	7.7	$918,251	7.7	$913,921
$125,000 to $149,999	7%	7.4	$1,018,095	7.7	$1,122,308	7.7	$1,117,016
$150,000 to $199,999	8%	7.4	$1,295,758	7.7	$1,428,393	7.7	$1,421,657
$200,000 or more (3)	9%	7.4	$1,554,914	7.7	$1,714,077	7.7	$1,705,994
Median Home Price			$582,500		$642,125		$674,836

Note: excludes income levels below the median as these households are assumed to rent and will not likely result in significant demand for for-sale housing.

(1) Reflect projected household income growth of 5.6 percent between 2010 and 2015.
(2) Reflect projected household income growth of 5.5 percent between 2015 and 2020.
(3) Assumes an average household income of $210,000 a year.

Sources: American Community Survey, Economic & Planning Systems, Inc.

Table 11
Alameda and San Francisco County Projections for Households, Employment, and Income(2010-2020)
Alameda Point Market Study; EPS #14012

Item	2010	2015	2020	Average Annual Growth	
				#	%
Households	903,950	944,570	988,220	84,270	0.9%
Employment	801,170	855,570	925,330	124,160	1.5%
Mean Household Income	$95,419	$100,711	$106,202	$10,783	1.1%

Sources: ABAG Projections 2009, Economic & Planning Systems, Inc.

Table 12
City of Alameda Projections for Households, Employment, and Income (2010-2020)
Alameda Point Market Study; EPS #14012

Item	2010	2015	2020	Average Annual Growth	
				#	%
Households	31,770	32,740	33,410	1,640	0.5%
Employment	26,970	29,650	32,850	5,880	2.0%
Mean Household Income	$91,200	$94,800	$98,700	$7,500	0.8%

Sources: ABAG Projections 2009, Economic & Planning Systems, Inc.

whole. For comparison, ABAG regional housing needs allocation projects 843 market-rate residential units to be absorbed in Alameda between 2007 and 2014, an average of 120 units per year.

Given EPS' assessment of the market and comparable projects, absorption of between 300 and 400 units a year would be reasonable in Alameda Point. This would require five to seven different builders developing new space simultaneously and selling up to 60 units per year each. This assumes that opportunities for other infill locations within the City would be fairly limited and Alameda Point would capture a significant portion of new citywide and even regional growth. In addition, operation of more than four to five builders would mean that direct competition would exist between builders during simultaneous unit delivery to the market. Alameda Point is planned to have four major density types, and presence of competing buildings with similar product could adversely impact absorption. As a reference, 357 market-rate homes have been developed in Bayport during a 4.5-year period, with an average absorption rate of 97 market-rate units per year. Annual absorption for Treasure Island, a Project with a wider range of densities and roughly twice as many units as Alameda Point, is projected in the range of 350 to 400 units per year.

The actual rate of absorption in Alameda Point will vary based on a range of product types offered within the development, with a diverse mix of densities, locations, neighborhoods, and heights likely to improve the overall absorption. A "single-family only" project and the reduced ability to market across market segments and income levels with multiple product types would reduce total absorption.

Absorption will also vary based on a number of external factors and competing projects in the inner Bay Area, such as Treasure Island, Oak Knoll, Hunters Point, Oak to Ninth, and Baylands, that could all be developing during a similar time frame. If these projects come online at the same time as Alameda Point, they could combine for an additional 20,000 to 25,000 new households in the inner Bay Area. Because of the product mix and density, these projects may capture a larger range of incomes and could impose direct competition to the residential program planned in Alameda Point on a regional level.

Construction Costs

EPS's experience with comparable projects and review of construction cost data indicates that direct vertical construction costs range between $115 and $125 or more per square foot, as shown in **Appendix F. Appendix F** provides an estimate of 2010 construction costs for standard construction of 2,500-square foot tract homes with a configuration similar to Bayport units of the same size. By 2014, the first year land sales are projected to take place, EPS projects direct construction costs in the $125 to $135 range, assuming moderate inflation growth. For comparison, SunCal projects direct construction costs per square foot for single-family units at $105 in 2010 and at $115 in 2014. Construction costs will vary based on prevailing wage conditions and whether homes built are custom or merchant.

In addition, SunCal assumes that costs will increase at the rate of inflation of 3 percent per year. Based on the EPS research, construction costs have typically outpaced inflation, especially during "hot" real estate markets where demand for construction in materials and services is very strong. As a result, construction costs will increase at a rate above inflation, although likely

below that of home value growth. ENR construction cost index in the San Francisco Bay Area indicates that costs have experienced a real increase above inflation over the last 15 years, as shown in **Table 13**. Real appreciation in costs has typically trailed appreciation in home values and reached as high as 1.2 percent a year between 2000 and 2005.

Construction Cost Appreciation/Land Leveraging

During strong markets when price appreciation exceeded inflation, vertical development historically "captured" at least a portion of this appreciation as additional profit is split between vertical developers and builders, and as demand for construction materials and labor escalated costs. For example, **Table 4** shows home value appreciation of 40 percent in Alameda during the housing bubble between 2002 and 2006, a real annual growth rate of 8.8 percent. The annual rate of inflation was 2.0 percent during this time period, suggesting that home values in Alameda grew by over 10 percent per year in nominal terms between 2002 and 2006. ENR construction cost index shows costs growing by nearly 20 percent or 4.3 percent per year during this time period. This rate of growth implies that costs outpaced the general rate of inflation and captured a portion of appreciation experienced in home values, thereby dampening land price appreciation.

The same trend has been tracked in broader areas over longer time periods. For example, cost appreciation has also outpaced inflation in the Bay Area, especially during periods of rapid price appreciation. As shown on **Table 13**, a broader 15-year average reflects a relatively high price appreciation trend of housing between 1995 and 2005, which resulted in construction cost growing at a rate above inflation after 2000. However, during the last 5 years, home values have experienced rapid decline, accompanied by a decrease in construction cost rate of growth. This data suggest that in the long term, costs increase at a rate above inflation during periods of rapid housing price growth. Thus, the housing price increases are not completely passed through to residual land values. A similar concept is illustrated for national trends between 1988 and 2008, as shown in **Figure 4** and for national trends between 1890 and 2004 as shown in **Appendix E**.

Figure 4. Annual Change in National Home Values and Costs (1988-2008)

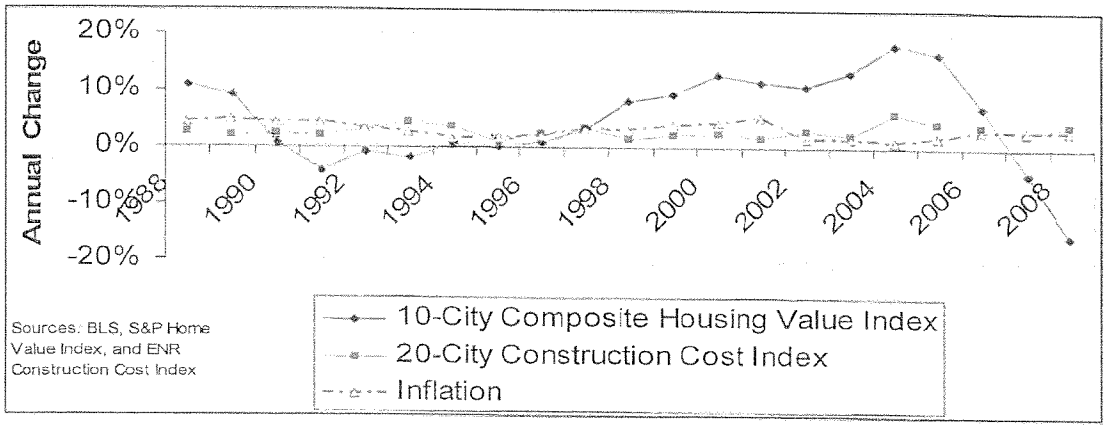


Table 13
Bay Area Appreciation Comparison (1995 - 2010)
Alameda Point Market Study; EPS #14012

Item	Average Annual Growth 1995 - 2000	2000 - 2005	2005 - 2010	1995 - 2010 Average	Comments
CPI	3.5%	2.4%	2.2%	2.7%	Bureau of Labor Statistics
Housing Appreciation					
DataQuick	10.4%	11.8%	-9.2%	6.0%	Regional Appreciation (1)
Construction Cost Index					
McGraw-Hill (Engineering News Record)	2.6%	3.5%	3.0%	3.0%	San Francisco Bay Area

(1) Includes Alameda, Berkeley and Oakland weighted average prices.

Sources: BLS, DataQuick, ENR, DCD, and Economic & Planning Systems, Inc.

Land Prices

The sale of finished land represents the largest source of revenue generated by the Alameda Point development. Residual land values estimated in the feasibility analysis are based on the difference between capitalized building revenues and vertical construction costs. SunCal land value projections are aggressive because of relatively high initial home price assumptions and low construction costs, the differential between growth rates applied to home prices and construction costs over the length of the project, the resulting land leverage effects, and optimistic absorption. Finished land values are projected by SunCal in the $2.5 million to $7.7 million range by 2014, growing at a rate of as high as 11.9 percent a year thereafter.

Land values range widely based on use, location, amenities, accessibility, and an array of other factors. Historically, finished residential land in the Oakland and Alameda area has sold for between $1 million and $5 million per acre, though recently falling below these levels because of the economic downturn. While same land leverage effects and land value appreciation are likely during near-term market recovery, significant land appreciation above historic levels is unlikely in the long term because of increases in construction costs and competing land supply that would be available from other major reuse projects. These projects will likely sell finished land for similar prices to pre-downturn levels in the $2.0 million to $5.3 million per acre range, which are supported by EPS' vertical development pro formas for residential uses.

APPENDIX A:

The San Francisco Bay Area Economic Outlook

THE SAN FRANCISCO BAY AREA ECONOMIC OUTLOOK

Econosystems

Economics Research & Small Business Consulting

December 2009

Volume 6 Issue 1

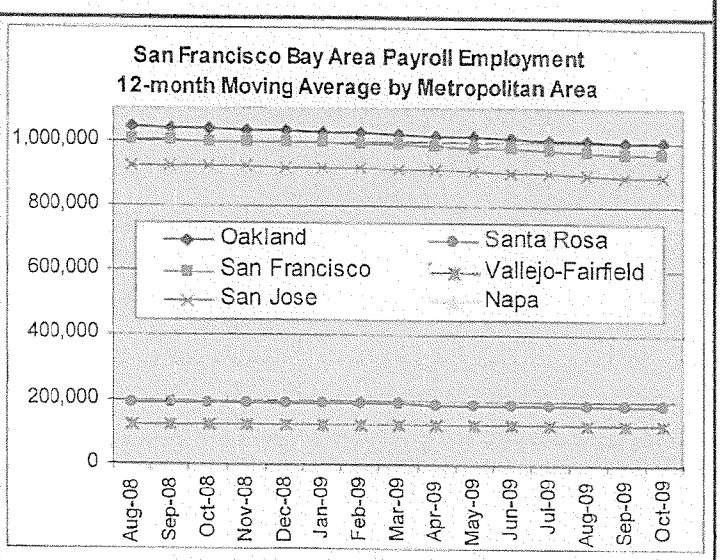
The San Francisco Bay Area Economy: In-Sync with the U.S. Economy

Hit by the global economic slowdown, the Bay Area economy has stabilized.

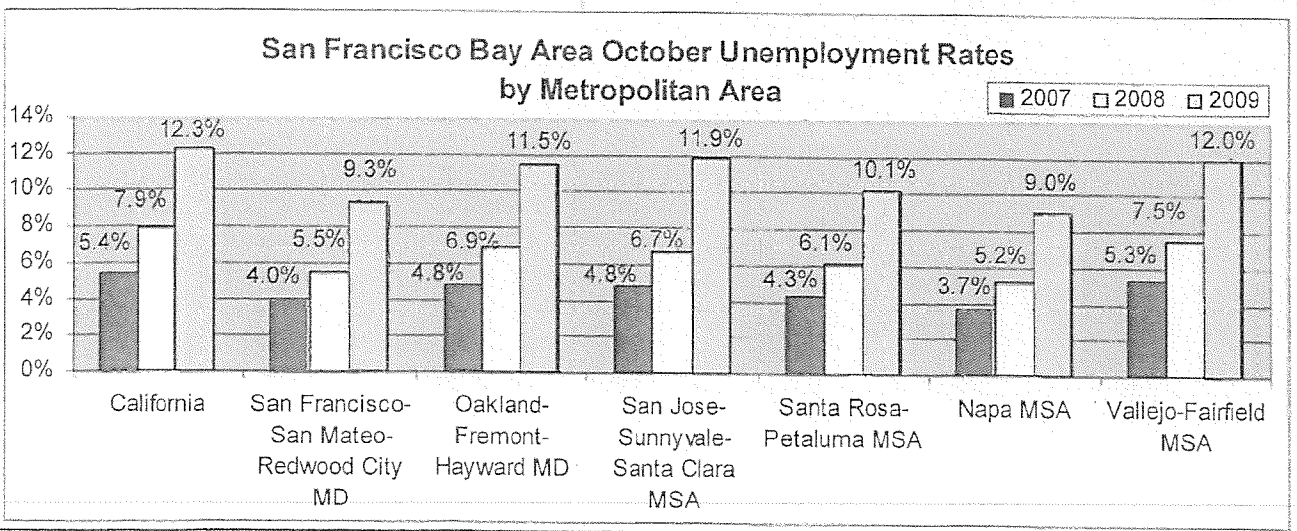
By Anne Ramstetter Wenzel, M.A.

The San Francisco Bay Area economy entered into a deep recession along with the global economy beginning in November 2008. Bay Area unemployment was rising as the California and national economy fell into recession, but most counties, with the exception of Solano County, had unemployment rates well below the California average of 7.9% by October 2008 (see bar graph, below). By October 2009, however, unemployment rates averaged 12% for Santa Clara, Solano, Alameda and Contra Costa counties, on par with the California unemployment rate.

Employment has fallen throughout the 9-county San Francisco Bay Area region, and in all broad industry categories except health care. Health care industry employment growth was strongest at hospitals, and the industry will continue to grow and benefit from the year-end passage of *(continued, p. 2)*



*Data points represent the monthly average payroll employment for the year ending with month shown.
SOURCE: Econosystems, based on data obtained from the California Employment Development.



San Francisco Bay Area 2009 Payroll Employment by Metropolitan Area		
Metropolitan Area	Number (Jan-Oct Avg.)	Growth*
San Francisco-San Mateo-Redwood City MD	956,060	-4.2%
Oakland-Fremont-Hayward MD	990,420	-4.2%
San Jose-Sunnyvale-Santa Clara MSA	884,040	-4.2%
Santa Rosa-Petaluma MSA	183,930	-4.8%
Napa MSA	65,800	-6.3%
Vallejo-Fairfield MSA	122,110	-3.2%
BAY AREA TOTAL:	3,202,360	-4.2%

*January through October 2009 percent change in average employment from 2008 levels. Excludes the self-employed.
SOURCE: California Employment Development Department.

the national health care reform bill currently being debated in Congress. While the final details of health care reform have yet to be worked out, expansion of health care services coverage is sure to result, thus expanding the health care industry further and providing additional jobs to the local economy.

The Internet/web portal industry has also been adding jobs, primarily on the San Francisco peninsula. Loss of business services jobs, however, has contributed significantly to the increasing unemployment rate: The business services industry provides 18% of payroll jobs in the San Francisco Bay Area, and 2009 employment is 4% below 2008 levels. Government is the 2nd leading industry employer in the Bay Area, providing 15% of all jobs, followed by the manufacturing (10%) and leisure and hospitality (10%) industries. Job losses in the government sector has been smaller than most industries, due to more stable federal government employment, but 2009 manufacturing and retail sector employment declines were significant (-5.9% and –6.8%, respectively: see table, page 3).

Construction industry employment has been declining most significantly in percentage terms, falling 15% in the San Francisco Bay Area in 2009 compared to 2008 levels. New home construction declines substantially worsened in 2008 and 2009. New permits issued for single family homes fell from 13,000 units in January through October 2003 (10-month total) to just 3,100 units in January through October 2009 (see table, right). Homebuilding will remain at low levels through 2010.

The Bay Area home resale market is recovering from its historically low levels. Although October 2009 sales volumes were up 4% when compared to October 2008 levels, the October 2009 sales level was still 40% below the peak sales level reached in October 2003. Year to date, home sales volume is up 16% compared to January through October 2008.

San Francisco Bay Area Housing Permits January through October Year-to-date					
	Number of Units Permitted, in Buildings with:			Total Permits:	
Year	One Unit/ Single Family Homes	2 to 4 Units	5 Units or more	Number	Percent Change from Prior Year
2000	13,309	667	7,404	21,380	-
2001	10,991	543	6,966	18,500	-13.5%
2002	12,221	600	5,436	18,257	-1.3%
2003	13,129	689	9,695	23,513	28.8%
2004	12,612	827	7,600	21,039	-10.5%
2005	12,387	576	7,925	20,888	-0.7%
2006	9,078	450	10,417	19,945	-4.5%
2007	7,532	461	6,390	14,383	-27.9%
2008	3,779	305	5,771	9,855	-31.5%
2009	3,101	140	1,160	4,401	-55.3%

SOURCE: Residential Construction Branch, U.S. Census Bureau

According to DQNews.com, foreclosure resales accounted for 32 percent of all existing homes sold in the San Francisco Bay Area in October 2009, down from a peak of 52 percent of home resales in February this year. Between January 2000 and December 2007, foreclosure sales accounted for just 1% of home resales in the Bay Area each month.

Homes sold for a sale price greater than $500,000 made up 36% of total Bay Area home sales in October, up from a low of 23% in January 2009. Another significant market change pointed out by DQNews: From 2000 to 2007, 60% of mortgages purchased in the San Francisco Bay Area were adjustable rate mortgages (ARMs), but in October 2009 ARMs accounted for just 8% of mortgages purchased. Mortgage rates are at a historical low. The 30-year conventional mortgage interest rate averaged 4.9% in October-November 2009, down from an average of 6.4% from 2000 through 2008.

Home sales volumes increased as *(continued, p. 3)*

San Francisco Bay Area Payroll Employment and Annual Earnings by Industry Group					
	January-October 2009*		2008 Average Annual Employee Earnings		
Industry	Number (thousands)	% change from 2008	SF-Oakland-Fremont MSA	SJ-Sunnyvale-Santa Clara MSA	Santa Rosa-Petaluma MSA
Construction	153	-15.4%	$65,773	$62,834	$52,684
Manufacting	328	-5.9%	$81,092	$119,881	$57,791
Retail	312	-6.8%	$35,370	$38,827	$30,124
Wholesale Trade	122	-5.4%	ND	$99,086	$55,685
Finance, Insurance & Real Estate	182	-6.4%	$119,530	$87,908	$56,239
Information^	110	-4.3%	$101,750	$169,567	$57,196
Business Services	567	-4.1%	$87,838	$96,761	$50,898
Health Services	310	1.1%	$57,877	$63,025	$50,468
Other Services#	193	-2.5%	$30,351	$29,748	$26,593
Leisure & Hospitality	326	-3.5%	$25,633	$22,996	$17,872
Government	476	-1.0%	not available	not available	not available
Total All Industries*	3,203	-4.2%	$65,046	$80,063	$43,757

ND: Not Disclosable -- data do not meet BLS or State agency disclosure standards.
*Average employment for January-October 2009. Total includes Mining employment of 2,390, Farm employment of 23,690, and Transportation, Warehousing & Public Utilities employment of 97,420.
^The Information industry includes publishing industries (including software), Internet service providers and web portals, motion picture & sound recording, broadcasting and telecommunications.
#Other services include private education, repairs and maintenance, personal and laundry services, religious and other civic and social organizations. 2008 Average Annual Employee Earnings data exclude average earnings for private education workers, which averaged $39,159 in the SF-Oakland-Fremont MSA, $64,643 in the SJ-Sunnyvale-Santa Clara MSA, and $29,078 in the Santa Rosa-Petaluma MSA.
SOURCES: Econosystems, based on data from the California Employment Development Department (all data except 2008 Average Annual Employee Earnings data).
U.S. Department of Labor, Bureau of Labor Statistics (2008 Average Annual Employee Earnings data).

foreclosure sales added to market supply, mortgage interest rates fell and a federal New Home Buyer tax credit was introduced. DQNews.com reports that the October 2009 San Francisco Bay Area median home sales price was $390,000, up 4% compared to the October 2008 median sales prices. The median sales price trend varied by county: Increased prices in Marin and Santa Clara counties were offset by continued price declines in other Bay Area counties (e.g., in Solano County, the October 2009 median home sales was 19% below October 2008 levels). Homes sales for million dollar plus properties were slow through the third quarter 2009 (the average number of days on the market increased through October), but price declines have led to an uptick in sales that is expected continue into 2010.

Apartment rents are falling. Marcus & Millichap (Encino, California) forecasts that 2009 effective apartment rents in San Francisco will fall 9.7% from 2008 levels, to an average of $1,649 per month (asking rents are forecasted to fall 8.3% to $1,773 per month). San Jose effective apartment rents are forecast to fall 9.5% from 2008, to $1,515 per month; Oakland area effective apartment rents are forecast to fall 7.5% to $1,297 per month. Apartment rents are expected to fall in all neighborhoods, and rental market weakness will continue until year-end 2010, when employment growth resumes. In the North Bay (Marin, Napa and Sonoma counties) , according to RealFacts (Novato, California), 3rd quarter occupancy rates have fallen 2.7% from the 3rd quarter 2008, to 95.1%; the average rent has fallen 2.7% to $1,351.

Office vacancy rates are rising, and rents are falling, in the San Francisco Bay Area. The average office vacancy rate fell steadily from peak of 20% in the 3rd quarter 2003, according to NAI BT Commercial, to a low of 11% in the 3rd quarter 2007. The average Bay Area office vacancy rates was17% for the 3rd quarter of 2009 (see http://www.naibtcommercial.com/btresearch.asp). As office space availability increased, average Bay Area rents fell from an average of $3.11 per square foot (monthly) in 2008 to $2.64 per square foot in the 3rd quarter 2009, a 15% drop. The monthly absorption rate remains low, and so rents will continue to fall, although at a slower rate, into 2010.

Venture capital investments in the San Francisco Bay Area fell by a dramatic 44% in 2009, after growing steadily 2003 - 2007, then falling slightly in 2008 (see graph, p. 6). For the first three quarters of *(continued, p. 4)*

San Francisco Bay Area Office Vacancy Rates by Area*

County/Area:	2000	2004	2005	2006	2007	2008	2008 3Q	2009 3Q
East Bay^	5.6%	16.8%	14.5%	13.6%	13.9%	16.3%	14.5%	17.7%
Marin County	na	15.1%	13.8%	13.0%	12.0%	15.8%	15.4%	21.1%
Napa County	na	11.0%	11.4%	na	11.6%	13.0%	11.9%	13.1%
San Francisco County (CBD)	4.6%	16.3%	12.6%	10.7%	10.2%	13.1%	12.4%	15.3%
San Mateo County	4.2%	24.7%	17.6%	14.8%	12.0%	16.0%	15.1%	18.8%
Santa Clara County	3.4%	14.4%	12.1%	10.8%	10.3%	16.9%	13.6%	18.7%**
Sonoma County^^	na	13.9%	20.9%	21.8%	23.4%	27.3%	24.6%	29.2%

*Annual data are 4th quarther vacancy rates.
^Includes Richmond, Emeryville, Berkeley (central business district an West Berkeley), Oakland (central business districts and airport), and
**Santa Clara County vacancy rate is for second quarter 2009
^^Includes Petaluma, Rohnert Park/Cotati, Santa Rosa, and Santa Rosa Airport
SOURCES: NAI BT Commercial, http://www.btcommercial.com (all data except Napa County)
Keegan & Coppin Company, Inc., http://www.keegancoppin.com (Napa County)

2009, venture capital investment in the 9-county Bay Area was $4.9 billion dollars, down from $8.8 billion for the first three quarters of 2008, according to PriceWaterhouseCoopers MoneyTree Venture Capital Survey (www.pwcmoneytree.com). The San Francisco Bay Area continues to receive the largest share of the nation's venture capital. Of the $4.8 billion invested nationally in the 3rd quarter 2009, the Bay Area received 46.4% ($2.2 billion), while New England, the number 2 geographic area , received just 11.6% of the total ($0.6 billion). The software and biotechnology industries are the two largest funded sectors, but the energy and industrial sector has shot up to the number 3 slot; the industry received 15% of all Bay Area venture capital investment in 2008-2009, up from 1% in 2000 and 10% in 2007 (see table, page 6).

The San Francisco Bay Area economy is now in sync with the national economy and, despite challenging and uncertain business conditions, has stabilized. Semiconductor sales began increasing in June 2009, and the industry book-to-bill ratio was greater than 1.0 July through October 2009 (i.e., orders received continue to exceed the amount shipped each month). Personal computer shipments rose in the third quarter of 2009 and are expected to continue increasing into 2010. Overall, sales at the largest publicly traded firms in the Bay Area (as measured by employment), excluding Chevron, were flat during the 3rd quarter of 2009 when compared to 3rd quarter 2008 levels. Including Chevron, 2009 3rd quarter large Bay Area firm sales fell 11% from a year earlier, due to the fall in oil prices. U.S. spot crude oil prices fell from an average of $93 a barrel in 2008 to an average of $57 a barrel for January through October 2009. U.S. crude oil spot prices were $73 a barrel for the week ending November 27, 2009.

San Francisco Bay Area business confidence remains low but is improving substantially, according to the Bay Area Council's *Business Confidence Survey* released December 3, 2009 (based on a survey conducted between November 2-19, 2009). Almost half (47%) of the CEO's and executives surveyed expect the Bay Area economy to improve over the next year, while only 15% expect it to worsen (37% expect no change). The hiring outlook continues to be weak, however: only 18% surveyed expect to increase their workforce over the next 6 months, while 23% expect to reduce their workforce (56% expect no change). In Contra Costa and Solano counties, 35% of the CEOs and business executives surveyed expect reductions in their workforce, and a very low 8% expect increases (see http://www.bayareacouncil.org/news_releases.php). The retail industry outlook is bleak, with 40% of executives in the industry seeing workforce reductions and none anticipating hiring within the next 6 months.

The Federal Reserve's *Beige Book/Summary of Commentary on Current Business Conditions* for the Twelfth District--San Francisco (released December 2, 2009) found that fall retail sales remained at low levels but were slightly improved from the October summary. Traditional department stores, discount chains and sellers of furniture and household appliances reported improvements in demand. Retailers' expectations for holiday sales remain downbeat, however, with no change expected from 2008 holiday sales levels. Inventories are in line with expectations, and so retail prices should remain firm throughout the holiday shopping season.

Consumer confidence remains low, but a cautious optimism for the future is emerging. The Survey and Policy Research Institute at San Jose State University found that, of the 765 Silicon Valley adults (Santa Clara, San Mateo, and southern Alameda counties plus Scotts Valley in Santa Cruz County) surveyed between September 29 and October 7, 2009, more than half (52%) *(continued, p. 5)*

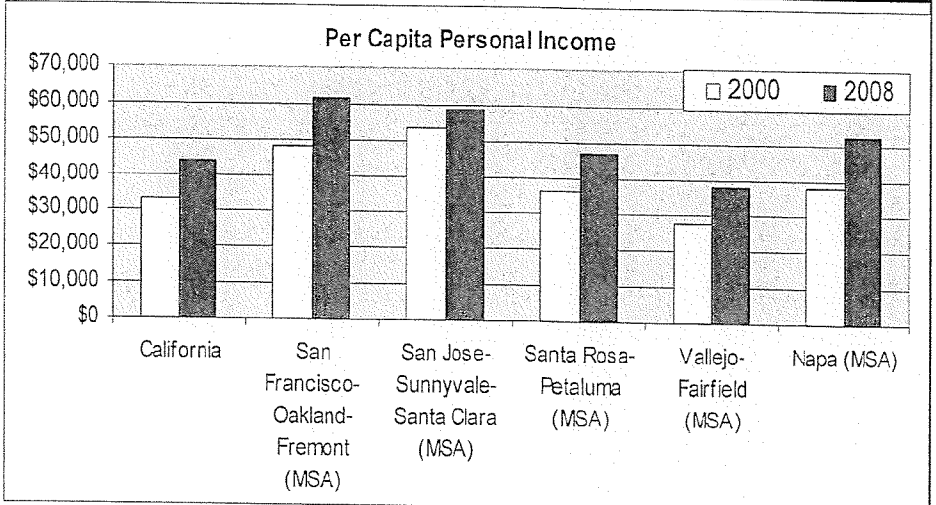
said their current financial situation was worse compared to one year ago. Only 1/3 of respondents (33%) expected to be better off a year from now; 10% thought they'd be worse off. Almost half of those surveyed expected their finances to be about the same in a year, and the same proportion (49%) anticipated that business conditions in Silicon Valley would be better a year from now. Only 8% thought business conditions would be worse, while 40% said they thought business conditions would be the same in one year.

The Recovery and Reinvestment Act of 2009 stimulated a moderate economic recovery in the U.S. economy in June. Tax cuts and tax rebates included in the Recovery Act will stimulate the economy into the first half of 2010. As the global economy recovers, private spending is expected to replace government spending as the driving force behind economic growth, beginning in the 2nd quarter of 2010. Improvements in the labor market will show up as declines in the unemployment rate, also beginning in the 2nd quarter of 2010. Job growth will accelerate by the 3rd quarter of 2010. For the remainder of 2009 and into the 1st quarter of 2010, however, many individuals and families will continue to deal with the fallout of falling home prices, home foreclosures and layoffs: The sentiment for many will be, "With economic growth like this, who needs recessions?"

The economic recovery will show up first as increased profits for many companies, especially in the banking sector.

San Francisco Bay Area Total Personal Income - Selected Years
(millions of dollars)

Year	San Francisco-Oakland-Fremont, CA (MSA)	San Jose-Sunnyvale-Santa Clara, CA (MSA)	Santa Rosa-Petaluma, CA (MSA)	Napa, CA (MSA)	Vallejo-Fairfield, CA (MSA)	Total
2000	199,989	92,947	16,778	4,714	10,953	325,381
2001	199,369	85,418	16,969	4,806	11,623	318,185
2002	193,010	79,124	16,967	4,899	12,029	306,028
2007	257,111	105,999	21,416	6,750	15,083	406,359
2008	263,941	106,973	21,928	6,994	15,494	415,329
Average Annual Percent Change						
2002-2007	5.9%	6.0%	4.8%	6.6%	4.6%	5.8%
2007-2008	2.7%	0.9%	2.4%	3.6%	2.7%	2.2%



SOURCE: Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce

Once the health care legislation and climate policy is determined, more certainty will enter into small business and corporate planning and will likely translate into business expansion and employment gains. The construction industry and employment levels will stabilize as we enter 2010. Broad based business growth will strengthen beginning in the 3rd quarter of next year. By year-end 2010, moderate employment gains and real earnings growth will resume for the San Francisco Bay Area economy.

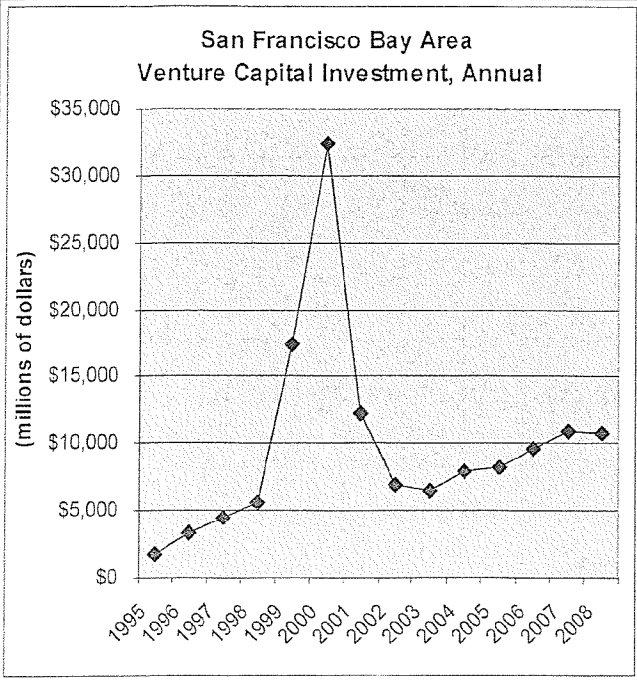
§§§

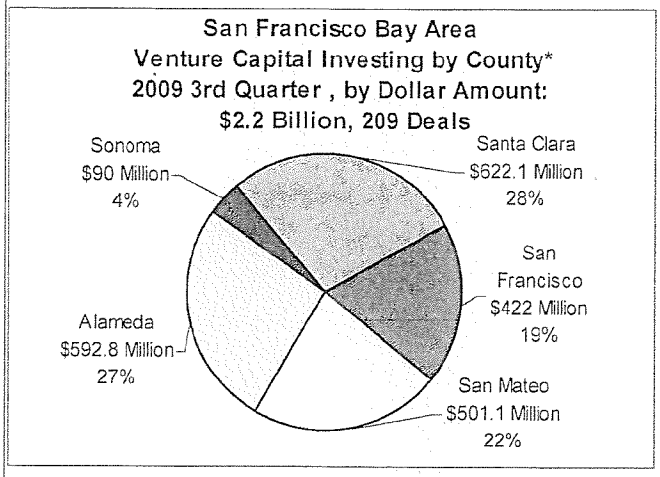
Additional resources:

"East Bay Quarterly Forecast, Q4 2009," October 2009, East Bay Economic Development Alliance, http://www.edab.org/research_facts_figures/economic_forecasts_updates.htm.

Mann, Amar and Tony Nunes, "After the Dot-Com Bubble: Silicon Valley High-Tech Employment And Wages in 2001 and 2008," Regional Report, Summary 09-08, Bureau of Labor Statistics Office of Publications and Special Studies, U.S. Department of Labor, August 2009 (http://www.bls.gov/opub/regional_reports/200908_silicon_valley_high_tech.htm).

Lenka Schvaigarova provided research and production assistance in the preparation of this report.





*According to the source, Contra Costa, Marin, and Napa counties received $3.3 million in 4 investment deals, less than 0.15%, of the total venture capital invested in the San Francisco Bay Area during the third quarter of 2009.
SOURCE: PricewaterhouseCoopers/Thomson Reuters/NVCA Money Tree Survey of Venture Capital.

San Francisco Bay Area Venture Capital Investment Amount by Industry

	Millions of Dollars					Percent Change:	
Industry	2000	2005	2008	YTD 3rdQ 2008	YTD 3rdQ 2009	Average Annual 2005-2008	YTD 2009 3rd Q*
Software	8,781	1,921	2,255	1,843	861	5.5%	-53.3%
Biotechnology	1,079	1,192	1,389	1,053	737	5.2%	-30.0%
Industrial/Energy	291	174	1,594	1,159	716	109.2%	-38.2%
Medical Devices and Equipment	809	701	1,076	958	619	15.3%	-35.4%
Media and Entertainment	2,355	391	932	734	455	33.6%	-38.0%
Semiconductors	1,988	1,092	915	763	393	-5.7%	-48.5%
Networking and Equipment	4,486	873	291	225	330	-30.7%	46.5%
IT Services	3,191	341	714	642	245	28.0%	-61.8%
Electronics/Instrumentation	161	139	154	140	128	3.4%	-8.4%
Telecommunications	4,401	728	735	608	126	0.3%	-79.2%
Computers and Peripherals	816	294	264	242	86	-3.5%	-64.5%
Financial Services	957	99	129	124	78	9.1%	-36.9%
Other#	3,095	232	332	262	140	12.7%	-46.5%
TOTAL	32,409	8,148	10,782	8,754	4,917	9.7%	-43.8%

*Percent change from 2008 3rd quarter year-to-date. ^Average annual percent change 2006-2008.
#Other includes Consumer Products and Services, Retailing/Distribution, Business Products and Services, and Healthcare Services.
SOURCE: Money Tree™ Report, PricewaterhouseCoopers.

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APPENDIX B:

Bayport Sales Data

BAYPORT ALAMEDA
"OTHER" INCENTIVES BREAKDOWN

		05-42-002 OPTIONS	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL
HARBOR	185	(2,254.00)	(959,500.62)	0.00	(961,754.62)
COVE	162	(9,957.00)	(1,131,757.96)	(2,850.00)	(1,144,564.96)
POINTE	90	(42,688.00)	(1,838,199.85)	0.00	(1,880,887.85)
LANDING	48	0.00	0.00	0.00	0.00
Pottery Barn Gift Cards			(16,790.63)		(16,790.63)
	485	(54,899.00)	(3,946,249.06)	(2,850.00)	(4,003,998.06)

PRICE INCENTIVES:	(7,739,147.00)
	(11,743,145.06)

AuditSalesInfo
HARBOR

LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTIONS	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
1	07/06/07	778,990.00	(25,000.00)		(2,000.00)		(27,000.00)
2	05/31/07	821,682.00			(20,000.00)		(20,000.00)
3	01/26/06	832,990.00			(2,500.00)		(2,500.00)
3	05/23/07	856,490.00	(34,000.00)		(7,000.00)		(41,000.00)
4	01/13/06	821,490.00					0.00
4	07/24/07	760,990.00	(25,000.00)		(6,000.00)		(31,000.00)
5	12/29/05	838,490.00			(2,500.00)		(2,500.00)
6	12/29/05	817,990.00					0.00
7	12/28/05	782,990.00					0.00
9	01/04/08	790,990.00	(660.00)		(22,500.00)		(23,160.00)
10	12/28/05	816,490.00		(27.00)	(2,500.00)		(2,527.00)
10	12/11/07	775,990.00	(25,407.00)				(25,407.00)
11	12/23/05	801,490.00			(2,500.00)		(2,500.00)
11	12/21/07	790,990.00	(18,414.00)		(34,159.00)		(52,573.00)
12	12/23/05	766,490.00			(2,500.00)		(2,500.00)
12	12/28/07	759,990.00	(34,196.00)				(34,196.00)
13	12/22/05	801,490.00			(2,500.00)		(2,500.00)
13	12/18/07	776,990.00					0.00
14	12/16/05	821,490.00			(2,500.00)		(2,500.00)
14	02/22/09	754,990.00	(98,318.00)		(10,000.00)		(108,318.00)
16	02/24/05	826,490.00			(2,500.00)		(2,500.00)
17	12/09/05	766,490.00					0.00
17	02/28/06	842,990.00	(9,434.00)				(9,434.00)
17	12/06/07	764,990.00	(18,754.00)		(20,000.00)		(38,754.00)
18	12/08/05	841,490.00					0.00
18	03/02/05	831,990.00	(5,000.00)				(5,000.00)
18	12/04/07	793,490.00	(48,150.00)		(5,500.00)		(53,650.00)
19	12/06/05	801,490.00					0.00
19	03/07/06	791,490.00			(2,500.00)		(2,500.00)
19	12/03/07	778,490.00	(18,000.00)		(10,000.00)		(28,000.00)
20	11/28/05	826,490.00			(2,500.00)		(2,500.00)
20	03/08/06	837,990.00			(2,500.00)		(2,500.00)
20	11/28/07	793,490.00	(50,908.00)		(5,000.00)		(55,908.00)
21	03/30/06	827,990.00					0.00
21	11/21/07	762,490.00	(24,990.00)	(10.00)	(42,547.00)		(67,547.00)
22	04/03/06	796,490.00			(2,500.00)		(2,500.00)
22	11/20/07	793,490.00			(15,000.00)		(15,000.00)
23	11/03/05	808,990.00			(17,000.00)		(17,000.00)
23	04/07/06	842,990.00					0.00
23	11/19/07	778,490.00					0.00
24	11/04/05	797,490.00					0.00
24	04/07/06	792,990.00					0.00
24	11/15/07	793,490.00					0.00
25	04/13/06	826,490.00					0.00
25	11/16/07	778,490.00			(5,000.00)		(5,000.00)
26	04/13/06	841,490.00			(2,500.00)		(2,500.00)
26	11/14/07	793,490.00	(25,000.00)		(5,000.00)		(30,000.00)
27	11/16/07	762,490.00			(5,000.00)		(5,000.00)
31	04/25/06	803,490.00			(2,500.00)		(2,500.00)
32	04/24/06	834,990.00					0.00
33	04/26/06	849,990.00			(2,500.00)		(2,500.00)
34	04/28/06	834,990.00			(2,500.00)		(2,500.00)
35	05/02/06	853,490.00		(360.00)			(360.00)
36	05/23/06	853,490.00					0.00
37	05/22/06	803,490.00			(2,500.00)		(2,500.00)
38	05/23/06	838,490.00			(2,500.00)		(2,500.00)
39	06/22/06	803,490.00					0.00
40	05/30/06	838,490.00					0.00
41	06/01/06	852,490.00					0.00
42	06/05/06	840,990.00		(1,332.00)			(1,332.00)
43	06/07/06	800,990.00			(2,500.00)		(2,500.00)
44	06/09/06	852,490.00					0.00
45	06/13/06	852,828.00			(2,500.00)		(2,500.00)
46	06/14/06	837,490.00					0.00
47	09/07/05	778,290.00			(2,500.00)		(2,500.00)
47	06/20/06	852,828.00			(2,500.00)		(2,500.00)

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTIONS	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
48	09/13/05	764,990.00					0.00
48	06/21/06	800,990.00			(2,500.00)		(2,500.00)
49	09/14/05	726,490.00					0.00
49	06/29/06	837,490.00					0.00
50	09/16/05	776,490.00					0.00
50	07/03/06	852,828.00					0.00
51	09/20/05	761,490.00					0.00
52	09/22/05	726,490.00			(2,500.00)		(2,500.00)
53	09/29/05	761,490.00					0.00
53	09/07/06	885,990.00			(2,500.00)		(2,500.00)
54	09/07/06	867,490.00			(2,500.00)		(2,500.00)
55	09/01/06	834,490.00			(2,500.00)		(2,500.00)
56	04/06/05	737,990.00					0.00
56	08/31/06	884,490.00	(2,500.00)				(2,500.00)
57	04/08/05	731,490.00					0.00
57	08/29/06	870,990.00	(2,047.00)				(2,047.00)
58	04/14/05	737,990.00			(2,500.00)		(2,500.00)
58	09/18/06	834,490.00	(40,802.00)		(12,500.00)		(53,302.00)
59	04/13/05	697,990.00					0.00
59	08/23/06	870,990.00			(2,500.00)		(2,500.00)
60	04/14/05	727,990.00					0.00
60	10/06/06	882,490.00	(83,987.00)				(83,987.00)
61	04/18/05	700,490.00			(580.00)		(580.00)
61	08/28/06	830,990.00	(38,292.00)				(38,292.00)
62	04/21/05	742,990.00			(3,135.00)		(3,135.00)
62	08/15/06	850,990.00	(3,500.00)		(2,500.00)		(6,000.00)
63	04/22/05	727,990.00					0.00
63	10/27/06	862,490.00	(57,346.00)		(6,500.00)		(63,846.00)
64	04/26/05	737,990.00					0.00
64	09/26/06	857,174.00			(5,000.00)		(5,000.00)
65	09/28/06	873,490.00		(525.00)	(2,500.00)		(3,025.00)
66	10/02/06	821,990.00			(2,500.00)		(2,500.00)
67	07/19/07	818,990.00	(27,585.00)		(39,108.13)		(66,693.13)
68	03/04/05	722,990.00	(3,435.00)				(3,435.00)
68	07/23/07	792,990.00	(34,434.00)		(15,000.00)		(49,434.00)
69	03/02/05	712,990.00					0.00
69	07/25/07	777,990.00	(25,000.00)		(6,000.00)		(31,000.00)
70	03/01/05	687,990.00					0.00
70	08/07/07	761,990.00	(12,905.00)		(20,000.00)		(32,905.00)
71	02/24/05	722,990.00					0.00
71	08/17/07	792,990.00	(3,500.00)		(22,867.00)		(26,367.00)
72	02/23/05	712,990.00			(2,500.00)		(2,500.00)
72	08/02/07	761,990.00	(25,414.00)		(40,673.00)		(66,087.00)
73	02/15/05	687,990.00					0.00
73	08/09/07	777,990.00	(42,012.00)		(2,500.00)		(44,512.00)
74	08/21/07	761,990.00	(1,905.00)		(20,000.00)		(21,905.00)
75	11/05/07	792,990.00	(101,353.00)		(2,260.00)		(103,613.00)
76	08/14/07	782,990.00	(26,905.00)				(26,905.00)
77	08/16/07	794,990.00	(3,500.00)		(24,709.88)		(28,209.88)
78	06/13/07	815,990.00	(56,582.00)				(56,582.00)
79	05/08/07	856,490.00	(28,072.00)		(20,000.00)		(48,072.00)
82	05/10/07	806,490.00			(15,000.00)		(15,000.00)
83	03/27/07	781,990.00			(26,500.00)		(26,500.00)
84	04/02/07	825,990.00	(14,654.00)		(28,736.00)		(43,390.00)
85	05/30/07	806,490.00	(45,591.00)				(45,591.00)
86	03/15/07	825,990.00	(15,000.00)		(5,000.00)		(20,000.00)
87	05/12/08	764,990.00	(35,010.00)		(13,000.00)		(48,010.00)
88	06/27/08	795,990.00	(72,923.00)		(18,063.50)		(90,986.50)
89	07/31/08	785,990.00	(67,617.00)		(7,380.00)		(74,997.00)
90	05/19/08	803,490.00	(69,435.00)		(25,496.23)		(94,931.23)
91	05/28/08	785,990.00			(13,202.80)		(13,202.80)
92	07/03/08	804,490.00	(66,055.00)		(9,986.84)		(76,041.84)
93	05/28/08	794,490.00	(2,325.00)		(8,000.00)		(10,325.00)
94	05/29/08	774,990.00	(35,257.00)		(10,000.00)		(45,257.00)
113	05/05/05	787,990.00					0.00
114	05/03/05	727,990.00					0.00
115	05/02/05	769,990.00					0.00

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTIONS	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
116	05/05/05	782,348.00					0.00
134	12/04/06	837,490.00	(15,000.00)		(5,000.00)		(20,000.00)
135	12/05/06	889,990.00	(20,000.00)		(7,500.00)		(27,500.00)
136	12/06/06	873,490.00			(20,000.00)		(20,000.00)
137	12/07/06	889,990.00	(25,000.00)		(2,500.00)		(27,500.00)
138	12/11/06	838,990.00	(15,000.00)				(15,000.00)
139	12/27/06	871,990.00	(4,000.00)		(2,500.00)		(6,500.00)
140	12/15/06	886,990.00	(57,233.00)		(2,500.00)		(59,733.00)
141	12/29/06	838,990.00	(68,592.00)		(10,000.00)		(78,592.00)
144	04/23/09	775,449.00	(100,449.00)				(100,449.00)
145	02/05/09	887,749.00	(137,749.00)		(20,000.00)		(157,749.00)
146	02/01/07	850,490.00			(12,500.00)		(12,500.00)
146	01/09/09	905,441.00	(150,441.00)		(9,096.24)		(159,537.24)
147	02/05/07	798,990.00	(32,214.00)		(12,500.00)		(44,714.00)
147	11/14/08	811,747.00			(30,000.00)		(30,000.00)
148	02/08/07	835,490.00	(29,868.00)				(29,868.00)
149	02/14/07	850,490.00	(31,612.00)				(31,612.00)
150	02/16/07	835,490.00			(15,000.00)		(15,000.00)
151	03/14/07	850,490.00	(59,178.00)				(59,178.00)
152	03/14/07	835,490.00	(25,885.00)		(10,000.00)		(35,885.00)
153	03/09/07	850,490.00	(25,000.00)		(20,000.00)		(45,000.00)
154	03/01/07	835,490.00			(15,000.00)		(15,000.00)
155	03/08/07	798,990.00	(40,000.00)		(10,000.00)		(50,000.00)
158	09/21/04	665,990.00	(1,305.00)		(2,500.00)		(3,805.00)
159	09/21/04	700,990.00					0.00
160	09/24/04	690,990.00					0.00
161	09/28/04	665,990.00					0.00
162	10/06/04	700,990.00					0.00
163	10/04/04	690,990.00			(2,500.00)		(2,500.00)
173	10/05/04	680,990.00					0.00
174	10/13/04	690,990.00					0.00
175	10/08/04	680,990.00					0.00
176	10/15/04	655,990.00			(2,500.00)		(2,500.00)
177	10/29/04	690,990.00			(2,500.00)		(2,500.00)
178	10/19/04	680,990.00					0.00
179	10/21/04	690,990.00					0.00
180	10/21/04	655,990.00					0.00
181	11/02/04	690,990.00					0.00
182	10/29/04	695,990.00					0.00
183	11/02/04	670,990.00					0.00
184	11/04/04	705,990.00			(2,500.00)		(2,500.00)
185	11/08/04	675,990.00					0.00
186	11/10/04	710,990.00					0.00
187	11/12/04	700,990.00					0.00
188	11/16/04	710,990.00					0.00
191	11/23/04	715,990.00			(2,500.00)		(2,500.00)
192	11/23/04	705,990.00			(2,500.00)		(2,500.00)
193	11/23/04	680,990.00					0.00
194	11/19/04	705,990.00					0.00
195	11/30/04	715,990.00					0.00
196	12/02/04	705,990.00					0.00
197	12/06/04	718,490.00			(2,500.00)		(2,500.00)
		145,697,624.00	(2,344,700.00)	(2,254.00)	(959,500.62)	0.00	(3,306,454.62)
		145,696,747.00					(3,306,454.62)
		877.00					0.00

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
1	07/12/06	928,990.00	(10,000.00)		(15,000.00)		(25,000.00)
2	03/28/06	947,990.00			(2,500.00)		(2,500.00)
3	03/24/06	866,490.00			(332.00)		(332.00)
4	03/23/06	923,490.00					0.00
5	03/21/06	951,490.00					0.00
6	03/16/06	907,990.00			(332.00)		(332.00)
7	03/14/06	923,490.00					0.00
8	02/24/06	917,990.00			(2,500.00)		(2,500.00)
9	02/21/06	889,995.00			(2,500.00)		(2,500.00)
10	02/16/06	876,490.00			(2,500.00)		(2,500.00)
11	02/09/06	847,990.00			(2,500.00)		(2,500.00)
12	02/09/06	893,625.00			(2,635.00)		(2,635.00)
13	02/03/06	921,490.00			(2,500.00)		(2,500.00)
25	11/09/05	867,490.00			(2,832.00)		(2,832.00)
26	11/10/05	845,490.00					0.00
27	11/16/05	820,490.00			(2,500.00)		(2,500.00)
28	11/17/05	890,490.00					0.00
28	11/14/07	978,490.00	(25,120.00)				(25,120.00)
29	11/21/05	845,490.00			(2,500.00)		(2,500.00)
29	11/02/07	997,990.00	(30,000.00)				(30,000.00)
30	11/23/05	820,490.00			(2,500.00)		(2,500.00)
30	11/01/07	929,490.00	(57,884.00)				(57,884.00)
31	12/28/05	862,490.00			(2,500.00)		(2,500.00)
32	12/20/05	890,490.00					0.00
33	12/22/05	820,490.00			(2,500.00)		(2,500.00)
34	12/29/05	862,490.00					0.00
35	12/29/05	845,490.00			(2,500.00)		(2,500.00)
36	12/28/05	900,490.00					0.00
39	10/01/07	856,990.00			(2,500.00)		(2,500.00)
40	10/03/07	908,490.00	(43,736.00)		(2,500.00)		(46,236.00)
41	10/05/07	929,490.00	(38,517.00)		(15,000.00)		(53,517.00)
50	06/21/07	856,990.00	(20,755.00)		(22,500.00)		(43,255.00)
51	06/25/07	971,990.00	(9,355.00)		(25,000.00)		(34,355.00)
52	07/13/07	923,490.00	(12,960.00)		(14,573.71)		(27,533.71)
53	06/29/07	905,490.00	(12,596.00)		(29,345.23)		(41,941.23)
54	07/09/07	864,490.00			(10,000.00)		(10,000.00)
55	07/06/07	981,490.00	(38,965.00)		(25,000.00)		(63,965.00)
56	07/24/07	924,490.00	(35,000.00)		(20,000.00)		(55,000.00)
57	07/12/07	975,490.00	(7,476.00)		(37,500.00)		(44,976.00)
64	07/17/07	913,490.00			(35,000.00)		(35,000.00)
65	03/11/05	848,628.00					0.00
65	07/25/07	975,990.00	(52,514.00)		(5,000.00)		(57,514.00)
66	03/10/05	827,990.00					0.00
66	07/19/07	945,490.00					0.00
67	03/08/05	847,990.00					0.00
67	09/13/06	975,490.00			(2,500.00)		(2,500.00)
68	09/15/06	902,990.00	(25,162.00)		(12,474.00)		(37,636.00)
69	09/19/06	948,990.00					0.00
70	09/21/06	1,003,490.00		(135.00)			(135.00)
71	11/14/06	940,490.00	(28,402.00)				(28,402.00)
72	09/28/06	991,990.00			(2,500.00)		(2,500.00)
73	09/29/06	982,990.00			(2,500.00)		(2,500.00)
74	10/06/06	957,990.00			(2,500.00)		(2,500.00)
75	10/03/06	1,035,990.00			(2,500.00)		(2,500.00)
76	07/26/05	867,990.00					0.00
76	10/04/06	994,990.00					0.00
77	07/28/05	792,990.00					0.00
77	10/05/06	928,990.00					0.00

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
78	08/01/05	839,990.00	(4,053.00)		(2,500.00)		(6,553.00)
78	10/10/06	982,490.00					0.00
79	08/02/05	822,990.00			(2,500.00)		(2,500.00)
79	10/11/06	1,017,490.00					0.00
80	08/04/05	797,990.00			(2,500.00)		(2,500.00)
80	10/12/06	958,990.00			(2,500.00)		(2,500.00)
81	08/04/05	857,990.00			(2,500.00)		(2,500.00)
81	07/28/06	1,001,490.00			(2,500.00)		(2,500.00)
82	08/01/06	963,490.00	(400.00)		(2,500.00)		(2,900.00)
83	08/03/06	997,990.00			(2,500.00)		(2,500.00)
84	08/07/06	959,990.00			(2,500.00)		(2,500.00)
85	08/19/05	839,990.00	(1,767.00)				(1,767.00)
85	08/09/06	993,990.00					0.00
86	08/24/05	862,990.00			(2,500.00)		(2,500.00)
86	08/11/06	936,490.00			(2,500.00)		(2,500.00)
87	08/26/05	817,990.00			(2,500.00)		(2,500.00)
87	08/15/06	893,990.00					0.00
88	08/30/05	839,990.00					0.00
88	08/17/06	952,490.00			(2,500.00)		(2,500.00)
89	09/01/05	797,990.00			(2,500.00)		(2,500.00)
90	09/08/05	827,990.00					0.00
91	04/07/05	842,990.00	(3,391.00)		(2,500.00)		(5,891.00)
92	03/30/05	787,990.00					0.00
92	06/30/06	877,990.00					0.00
93	03/29/05	800,990.00					0.00
93	07/06/06	976,490.00		(180.00)			(180.00)
94	03/24/05	777,990.00	(2,927.00)				(2,927.00)
94	07/26/06	923,990.00			(2,500.00)		(2,500.00)
95	03/28/05	800,990.00	(983.00)				(983.00)
95	07/12/06	953,490.00					0.00
96	03/17/05	777,990.00					0.00
96	07/14/06	976,490.00			(2,500.00)		(2,500.00)
97	03/17/05	817,990.00			(2,500.00)		(2,500.00)
97	07/18/06	920,490.00					0.00
98	08/01/06	940,990.00	(25.00)				(25.00)
99	07/25/06	881,490.00					0.00
100	10/07/08	877,990.00	(75,096.00)				(75,096.00)
101	05/29/09	792,990.00	(188,841.00)	(973.00)	(915.00)	(1,425.00)	(192,154.00)
102	10/24/08	879,490.00	(20,740.00)		(38,990.52)		(59,730.52)
103	12/11/08	791,990.00	(108,449.00)		(14,172.40)		(122,621.40)
104	01/07/09	839,990.00	(43,580.00)		(30,000.00)		(73,580.00)
105	12/11/08	840,990.00	(110,496.00)				(110,496.00)
108	06/06/05	812,990.00	(3,687.00)				(3,687.00)
109	06/08/05	855,490.00					0.00
110	06/17/05	787,990.00			(2,500.00)		(2,500.00)
111	06/15/05	829,990.00					0.00
112	06/17/05	852,990.00					0.00
112	08/08/08	826,490.00	(30,780.00)		(30,750.00)		(61,530.00)
113	11/20/06	959,990.00			(7,500.00)		(7,500.00)
113	07/10/08	876,990.00			(59,901.97)		(59,901.97)
114	11/22/06	1,021,490.00					0.00
114	07/15/08	846,490.00	(41,240.00)		(15,344.97)		(56,584.97)
115	11/28/06	974,490.00			(2,500.00)		(2,500.00)
116	12/19/06	1,021,490.00					0.00
117	12/01/06	951,490.00	(43,896.00)		(2,500.00)		(46,396.00)
118	12/01/06	975,490.00	(76,847.00)		(1,000.00)		(77,847.00)
119	12/15/06	955,990.00	(36,850.00)				(36,850.00)
120	12/18/06	1,019,990.00					0.00
121	12/15/06	913,490.00			(2,500.00)		(2,500.00)

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
122	12/28/06	1,029,490.00	(35,976.00)		(37,500.00)		(73,476.00)
123	12/30/04	802,990.00			(2,500.00)		(2,500.00)
123	12/22/06	975,990.00					0.00
123	04/01/08	882,490.00	(61,647.00)		(12,500.00)		(74,147.00)
124	12/30/04	789,990.00					0.00
124	12/28/06	1,024,490.00	(33,632.00)		(25,000.00)		(58,632.00)
124	04/16/08	944,990.00	(88,788.00)		(13,500.00)		(102,288.00)
125	01/18/05	762,990.00					0.00
125	12/29/06	956,990.00			(2,500.00)		(2,500.00)
125	03/27/08	895,490.00	(70,501.00)		(29,807.50)		(100,308.50)
126	01/14/05	822,990.00					0.00
126	02/14/07	1,020,990.00	(112,413.00)				(112,413.00)
127	01/25/05	785,990.00					0.00
127	03/14/07	975,990.00	(124,848.00)		(2,500.00)		(127,348.00)
128	01/21/05	802,990.00					0.00
128	01/18/07	906,990.00	(37,269.00)		(36,000.00)		(73,269.00)
129	01/27/05	822,990.00	(220.00)		(2,500.00)		(2,720.00)
129	02/15/07	954,490.00	(116,942.00)		(2,500.00)		(119,442.00)
130	02/23/07	975,490.00	(114,628.00)		(4,000.00)		(118,628.00)
130	04/23/09	790,990.00	(170,350.00)			(1,425.00)	(171,775.00)
131	01/30/07	1,024,990.00	(75,904.00)	(4,430.00)	(3,133.00)		(83,467.00)
131	01/22/09	880,490.00	(10,000.00)		(49,966.39)		(59,966.39)
132	02/09/07	954,490.00	(105,406.00)		(5,000.00)		(110,406.00)
132	03/02/09	840,990.00			(70,000.00)		(70,000.00)
133	02/08/07	980,990.00	(20,000.00)		(2,500.00)		(22,500.00)
133	08/11/09	879,490.00	(155,165.00)	(4,089.00)	(2,345.00)		(161,599.00)
134	01/27/09	862,490.00	(71,754.00)	(150.00)	(30,445.00)		(102,349.00)
135	02/05/09	870,990.00	(50,000.00)		(9,928.45)		(59,928.45)
136	07/02/09	868,764.00	(151,764.00)		(6,017.31)		(157,781.31)
141	11/18/08	797,490.00			(34,829.73)		(34,829.73)
142	11/19/08	885,490.00			(39,715.87)		(39,715.87)
143	11/21/08	845,990.00	(15,740.00)		(44,602.00)		(60,342.00)
148	11/25/08	914,067.00	(94,067.00)		(9,708.80)		(103,775.80)
149	06/03/09	933,044.00	(60,044.00)				(60,044.00)
150	05/27/09	967,912.00	(79,912.00)		(2,400.00)		(82,312.00)
153	08/21/09	840,990.00	(141,509.00)		(11,760.11)		(153,269.11)
154	06/26/09	887,990.00			(60,000.00)		(60,000.00)
155	09/20/04	780,990.00	(255.00)				(255.00)
156	09/08/04	740,990.00					0.00
157	09/20/04	780,990.00			(2,500.00)		(2,500.00)
168	09/01/04	748,990.00					0.00
169	09/02/04	770,990.00					0.00
170	09/03/04	795,990.00					0.00
171	09/01/04	758,990.00			(2,500.00)		(2,500.00)
172	09/14/04	785,990.00					0.00
		144,615,485.00	(3,241,224.00)	(9,957.00)	(1,131,757.96)	(2,850.00)	(4,385,788.96)
		144,615,000.00					(4,385,788.96)
		485.00					0.00

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
31	11/15/07	1,055,990.00	(10.00)		(108,750.50)		(108,760.50)
32	02/29/08	795,990.00	(80,152.00)				(80,152.00)
33	11/02/07	1,025,990.00	(89,900.00)		(14,921.08)		(104,821.08)
34	01/30/08	794,990.00	(38,836.00)		(18,000.00)		(56,836.00)
35	10/18/07	1,047,580.00			(40,000.00)		(40,000.00)
36	10/24/07	1,010,990.00	(60,000.00)		(42,818.00)		(102,818.00)
37	10/12/05	985,990.00					0.00
37	10/12/07	1,010,990.00			(51,000.00)		(51,000.00)
38	10/14/05	905,990.00					0.00
38	11/21/07	1,053,490.00	(198,438.00)				(198,438.00)
39	10/21/05	955,990.00			(2,500.00)		(2,500.00)
40	11/01/05	995,990.00					0.00
41	11/03/05	960,990.00					0.00
42	11/04/05	990,990.00			(2,500.00)		(2,500.00)
42	08/22/07	1,088,490.00					0.00
43	11/15/05	905,990.00			(2,500.00)		(2,500.00)
43	08/24/07	1,038,490.00	(16,250.00)		(2,500.00)		(18,750.00)
44	11/16/05	940,990.00			(2,500.00)		(2,500.00)
44	08/28/07	1,073,490.00	(37,680.00)		(38,345.00)		(76,025.00)
45	11/17/05	905,990.00			(2,500.00)		(2,500.00)
45	09/07/07	1,014,490.00	(37,250.00)		(62,500.00)		(99,750.00)
46	11/18/05	985,990.00					0.00
46	09/13/07	970,990.00			(100,000.00)		(100,000.00)
47	09/18/07	1,053,490.00	(32,855.00)		(35,000.00)		(67,855.00)
58	10/10/07	1,073,490.00			(47,936.00)		(47,936.00)
59	12/21/07	965,990.00	(183,884.00)		(31,659.21)		(215,543.21)
60	10/01/07	1,038,490.00					0.00
61	11/08/07	1,050,990.00	(60,560.00)		(55,000.00)		(115,560.00)
62	10/10/07	1,014,490.00	(77,250.00)		(10,000.00)		(87,250.00)
63	10/03/07	1,053,490.00			(52,500.00)		(52,500.00)
82	07/27/05	960,990.00	(2,755.00)				(2,755.00)
83	07/17/05	915,990.00					0.00
84	08/10/05	960,990.00	(2,473.00)		(2,500.00)		(4,973.00)
89	06/19/06	1,021,990.00					0.00
90	06/27/06	1,056,990.00					0.00
91	06/23/06	986,990.00		(205.00)			(205.00)
97	12/17/08	885,990.00			(40,000.00)		(40,000.00)
98	12/10/04	892,500.00		(500.00)	(2,500.00)		(3,000.00)
98	11/04/08	889,490.00		(27,258.00)	(25,000.00)		(52,258.00)
99	12/15/04	855,000.00					0.00
99	12/05/08	925,990.00			(35,000.00)		(35,000.00)
100	12/17/04	827,500.00					0.00
100	07/26/06	1,079,490.00					0.00
101	12/22/04	823,000.00					0.00
101	07/28/06	1,053,290.00		(225.00)			(225.00)
102	12/23/04	855,000.00					0.00
102	08/02/06	1,076,990.00					0.00
103	12/23/04	890,000.00	(400.00)		(2,500.00)		(2,900.00)
103	01/23/07	1,086,990.00	(50,000.00)		(12,000.00)		(62,000.00)
104	12/28/04	855,000.00			(2,500.00)		(2,500.00)
104	12/08/06	1,029,490.00	(165,996.00)		(10,000.00)		(175,996.00)
105	12/29/04	895,000.00					0.00
105	10/20/06	1,119,490.00	(6,713.00)		(13,287.00)		(20,000.00)
106	10/26/06	1,080,990.00			(12,500.00)		(12,500.00)
106	12/23/08	875,990.00	(129,640.00)		(21,360.88)		(151,000.88)
107	12/20/06	1,029,490.00			(57,500.00)		(57,500.00)
107	09/16/08	875,655.00			(49,216.35)		(49,216.35)
108	11/14/06	1,115,990.00					0.00

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LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
108	12/11/08	870,990.00	(75,753.00)		(33,500.00)		(109,253.00)
109	11/22/06	1,084,490.00			(55,000.00)		(55,000.00)
109	08/29/08	838,200.00			(64,998.77)		(64,998.77)
110	11/03/06	1,028,490.00	(25,000.00)		(6,794.00)		(31,794.00)
110	09/05/08	920,990.00			(97,000.00)		(97,000.00)
111	11/09/06	1,119,490.00			(17,173.14)		(17,173.14)
111	09/10/08	895,990.00		(500.00)	(66,000.00)		(66,500.00)
112	11/13/06	1,086,990.00			(13,147.23)		(13,147.23)
115	05/22/08	851,490.00	(25,000.00)		(9,934.16)		(34,934.16)
116	04/30/08	745,026.00			(41,313.50)		(41,313.50)
117	05/25/05	940,000.00					0.00
117	06/03/08	845,990.00	(32,107.00)				(32,107.00)
118	05/27/05	880,000.00					0.00
118	04/24/08	871,990.00	(65,937.00)		(14,953.75)		(80,890.75)
119	06/08/05	905,000.00					0.00
119	04/29/08	906,990.00	(39,676.00)		(16,335.00)		(56,011.00)
120	06/02/05	880,000.00			(2,500.00)		(2,500.00)
120	04/29/08	814,490.00	(25,662.00)		(24,982.50)		(50,644.50)
121	05/14/08	849,490.00	(50,139.00)		(42,497.66)		(92,636.66)
122	05/20/08	860,990.00			(40,000.00)		(40,000.00)
126	05/08/08	811,490.00	(25,330.00)				(25,330.00)
127	03/28/08	904,036.00			(100,000.00)		(100,000.00)
128	03/19/08	999,490.00	(43,818.00)		(48,033.35)		(91,851.35)
129	03/21/08	864,490.00	(27,307.00)		(15,000.00)		(42,307.00)
130	05/02/08	845,990.00	(36,443.00)		(15,000.00)		(51,443.00)
131	04/18/08	823,914.00			(19,981.00)		(19,981.00)
132	03/11/08	790,990.00			(46,313.00)		(46,313.00)
133	04/11/08	850,990.00	(7,249.00)		(10,000.00)		(17,249.00)
137	11/25/08	940,698.00	(127,448.00)		(8,837.27)		(136,285.27)
138	11/26/08	1,025,323.00	(125,323.00)		(9,973.50)		(135,296.50)
139	01/23/09	1,041,258.00	(111,258.00)				(111,258.00)
140	12/23/08	868,490.00	(38,731.00)	(14,000.00)	(9,638.00)		(62,369.00)
		85,653,800.00	(2,153,223.00)	(42,688.00)	(1,838,199.85)	0.00	(4,034,110.85)
		85,652,490.00					(4,034,110.85)
		1,310.00					0.00

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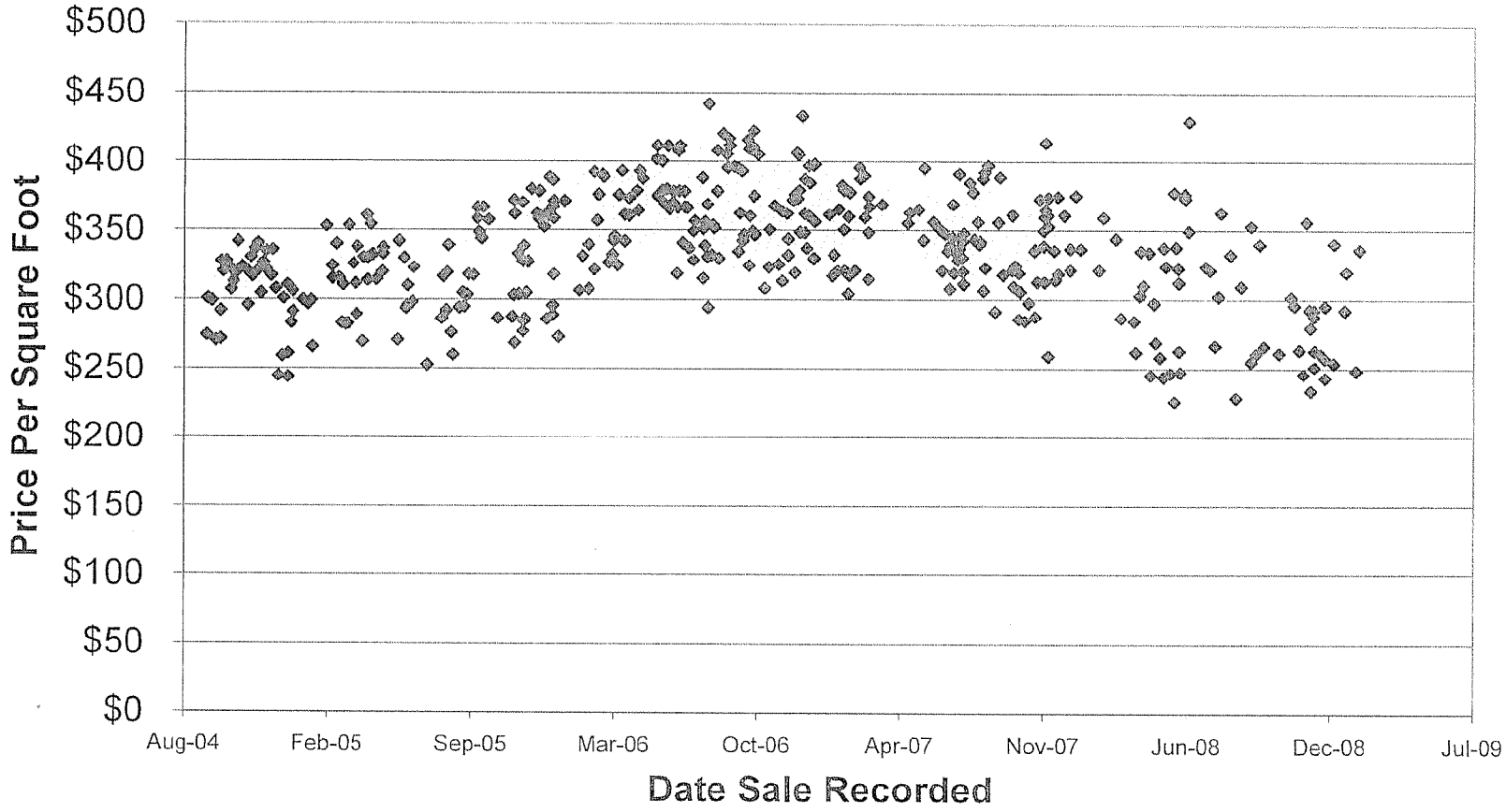
LANDING

LOT	DATE CLOSED	BOOKED SALES PRICE	05-42-001 PRICE	05-42-002 OPTION	05-42-003 OTHER	05-42-004 LANDSCAPE	TOTAL INCENTIVES
165	02/28/05	273,000.00					0.00
166	02/28/05	273,000.00					0.00
167	03/02/05	273,000.00					0.00
74	04/01/05	273,000.00					0.00
75	04/01/05	273,000.00					0.00
190	04/01/05	273,000.00					0.00
189	04/04/05	273,000.00					0.00
164	05/31/05	273,000.00					0.00
122	6/3/05	273,000.00					0.00
107	6/15/05	273,000.00					0.00
121	6/20/05	273,000.00					0.00
106	6/29/05	273,000.00					0.00
54	08/17/05	273,000.00					0.00
55	08/11/05	273,000.00					0.00
21	10/21/05	273,000.00					0.00
22	10/25/05	273,000.00					0.00
16	3/31/06	236,000.00					0.00
1	4/6/06	236,000.00					0.00
2	4/10/06	236,000.00					0.00
8	4/14/06	236,000.00					0.00
9	4/27/06	236,000.00					0.00
15	4/28/06	236,000.00					0.00
29	07/29/06	236,000.00					0.00
15	07/31/06	236,000.00					0.00
30	08/02/06	236,000.00					0.00
14	08/03/06	236,000.00					0.00
27	08/10/06	236,000.00					0.00
28	08/25/06	236,000.00					0.00
51	11/17/06	236,000.00					0.00
52	12/22/06	236,000.00					0.00
143	01/26/07	236,000.00					0.00
142	03/22/07	236,000.00					0.00
80	04/27/07	212,000.00					0.00
81	05/03/07	212,000.00					0.00
145	05/15/07	212,000.00					0.00
144	05/30/07	212,000.00					0.00
48	06/06/07	212,000.00					0.00
6	06/26/07	212,000.00					0.00
49	06/29/07	212,000.00					0.00
5	07/31/07	212,000.00					0.00
7	12/19/07	212,000.00					0.00
8	12/20/07	212,000.00					0.00
16	2/5/08	212,000.00					0.00
15	2/28/08	212,000.00					0.00
95	6/4/08	212,000.00					0.00
96	7/31/08	212,000.00					0.00
151	[redacted]	212,000.00					0.00
152		212,000.00					0.00
		11,536,000.00					0.00
		11,536,000.00					
		0.00					

Exhibit 1
Sales Prices for Homes in Bayport Project (BWIP Exchange Area)
(Market Rate Units)



Source: Realquest February 2009 and Alameda County Assessor Records

Table 4

Estimate of Potential Downward Adjustment by Assessor due to Decline in Market Value of Bayport Homes

BWIP Exchange Area

Alameda CIC

($000's Omitted)

The Alameda County Assessor is reviewing assessed values for homes sold between 2002 and 2008 to determine if an adjustment is warranted due to a decline in home prices. Nearly all homes in the Bayport project were sold during the applicable time period. The findings of this review are not yet available.

Working Draft August 5, 2009

	No. of Units	Average AV	Average Sq.Ft.	Estimate of Current Market Value Based on Recent Sales		Aggregate Assessed Value [2]	Aggregate AV If Adjust to Current Market	Impact to Assessed Values
I. Homes Reflected on 2008-09 Roll								
A. Assessed Value Above Estimate of Market [1]								
2,000 - 2,500 SF Homes	156	$802,000	2,228 SF	$325 /SF	$724,000	125,048,177	112,940,100	(12,108,077)
2,500 - 3,000 SF Homes	104	$912,000	2,768 SF	$296 /SF	$819,000	94,870,361	85,200,936	(9,669,425)
3,000 SF + Homes	81	$1,026,000	3,384 SF	$257 /SF	$870,000	83,108,299	70,439,331	(12,668,968)
	341	$889,000				303,026,837	268,580,367	(34,446,470)
B. Assessed Value At or Below Estimate of Market (1)								
2,000 - 2,500 SF Homes	8	$527,000	2,303 SF	$325 /SF	$748,000	4,214,367	4,214,367	0
2,500 - 3,000 SF Homes	7	$638,000	2,814 SF	$296 /SF	$833,000	4,463,685	4,463,685	0
3,000 SF + Homes	1	$934,000	3,743 SF	$257 /SF	$962,000	933,760	933,760	0
	16	$601,000				9,611,812	9,611,812	0
C. Affordable Units	52	$251,000	1,638 SF	Not Applicable		13,049,878	13,049,878	0
	409	$796,000				325,688,527	291,242,057	(34,446,470)
II. New Home Sales and Resales Projected for 2009-10 Roll (Prior to August 2008)								
A. Assessed Value Above Estimate of Market (1)								
2,000 - 2,500 SF Homes	12	$775,000	2,139 SF	$325 /SF	$695,000	9,300,000	8,341,450	(958,550)
2,500 - 3,000 SF Homes	6	$891,000	2,754 SF	$296 /SF	$815,000	5,343,000	4,891,696	(451,304)
3,000 SF + Homes	4	$962,000	3,448 SF	$257 /SF	$886,000	3,849,500	3,544,544	(304,956)
	22	$841,000				18,492,500	16,777,690	(1,714,810)
B. Assessed Value At or Below Estimate of Market (1)								
2,000 - 2,500 SF Homes	5	$782,000	2,326 SF	$325 /SF	$782,000	3,908,500	3,908,500	0
2,500 - 3,000 SF Homes	3	$828,000	2,785 SF	$296 /SF	$824,000	2,483,545	2,483,545	0
3,000 SF + Homes	8	$884,000	3,558 SF	$257 /SF	$914,000	7,073,909	7,073,909	0
	16	$842,000				13,465,954	13,465,954	0
C. Affordable Units	4	$212,000	1,643 SF	Not Applicable		848,000	848,000	0
	42	$781,000				32,806,454	31,091,644	(1,714,810)
Estimate of Assessor Market Adjustment for 2009-10								($36,161,280)
							Or Say:	$36 Million

[1] Estimate of Market Value as of Jan. 1, 2009 Lien Date Based New Home Sales from Aug. 2008 to Jan. 2009

	No. of Sales	Average Sales Price	Average Sq.Ft.	Average Price PSF
2,000 - 2,500 SF Homes	7	753,000	2,320	$325
2,500 - 3,000 SF Homes	7	838,000	2,830	$296
3,000 SF + Homes	16	916,000	3,560	$257

[2] For new home sales and re-sales this column indicates projected assessed value based on actual sales price.

Actual taxable values, tax increment, and the timing of the tax increment may vary from the amounts in this projection.

Prepared by Keyser Marston Associates, Inc.

\\Sf-fs1\wp\10\10004\025\TI projection 8-4-09.xls; market adjustment;: 8/6/2009: dd

APPENDIX C:

Average Home Affordability Multipliers

Appendix C
Average Home Affordability Multiplier (1995-2006)

Location	Avg. Home Affordability Multiplier (1)		
	1995	2000	2006
U.S.	2.5	2.6	3.7
California	3.3	4.0	7.1
San Francisco/San Mateo/Redwood City	4.7	6.7	8.3
Vallejo/Fairfield	3.2	4.0	6.1
Sacramento/Arden/Arcade/Roseville	2.9	3.3	6.0

(1) This multiplier equals median home value divided by median income.

Sources: NAHB Housing Opportunities Index; Economic & Planning Systems, Inc.

APPENDIX D:

Residential Unit Value Trends 1988-2009 (nominal $)

Appendix C

Residential Sales Trends

City	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
ALAMEDA	1,149	1,118	676	744	885	732	740	670	867	1,068	1,169	1,029	920	784	991	982	1,015
BERKELEY	1,030	1,074	872	912	1,005	876	1,076	919	1,110	1,209	1,347	1,229	932	943	1,133	1,205	1,082
OAKLAND	4,333	4,441	3,618	3,478	3,588	3,255	3,657	3,232	3,581	4,335	4,955	5,173	4,992	4,626	5,284	5,741	6,298
ALAMEDA	$208,678	$267,503	$256,920	$250,337	$249,879	$235,405	$248,808	$240,281	$238,999	$269,119	$288,038	$303,380	$373,680	$417,228	$457,846	$485,485	$580,105
BERKELEY	$226,137	$255,435	$270,605	$277,224	$262,627	$255,083	$259,744	$251,946	$261,108	$287,227	$331,629	$373,583	$473,060	$497,846	$555,041	$583,179	$699,953
OAKLAND	$167,457	$187,769	$197,851	$212,706	$210,645	$213,859	$196,661	$191,948	$204,008	$224,767	$235,533	$254,424	$314,953	$346,588	$406,826	$418,400	$489,257
Weighted Average (all sales)	$184,012	$212,164	$217,876	$229,620	$226,520	$224,528	$216,114	$210,102	$220,870	$243,352	$261,199	$280,910	$344,378	$377,757	$436,320	$451,755	$527,397
Weighted Average (new sales)	$210,598	$277,836	$239,793	$208,476	$204,983	$253,889	$240,225	$256,819	$244,994	$234,313	$267,861	$328,753	$373,972	$453,196	$385,606	$443,100	$484,921

APPENDIX E:

Case-Schiller U.S. Home Prices, Building Costs, Population, and Interest Rates, 1890-2004

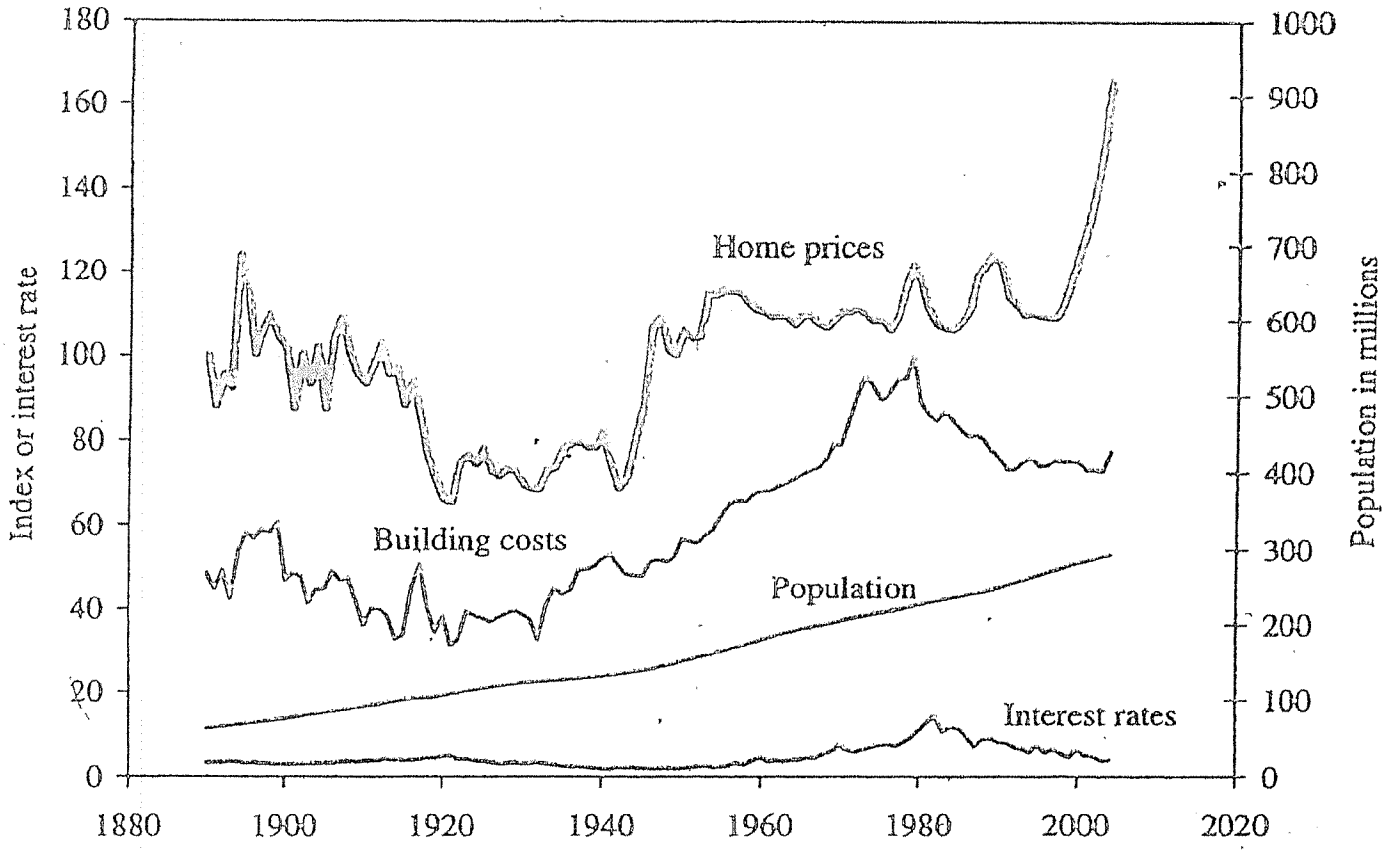


Figure 2.1
U.S. Home Prices, Building Costs, Population, and Interest Rates, 1890–2004

Heavy solid line (left scale): real (inflation-corrected) home price index, 1890 = 100, for the United States, constructed by the author from various existing indexes and raw data on home prices;[3] thin line (left scale): real building cost index, 1979 = 100, constructed by the author from two published construction cost indexes;[4] thin line (right scale): U.S. population in millions, from the U.S. Census; lowest line, thin line (left scale): long-term interest rate constructed by the author from two sources.[5]

APPENDIX F:

National Building Cost Manual for Single-Family Direct Construction Costs (2010)

Building costs for this house: 2,500 sq.ft., wood exterior (no brick), standard interior finishes.
Generally based on Bayport exterior configurations (10 or more corners).
Tract (not custom) house in suburban location.
This is an estimate for a single-family residence built under competitive conditions in Zip area 945-947 Oakland, California in May, 2010. This estimate includes a foundation as required for normal soil conditions, excavation for foundation and piers on a prepared building pad, floor, wall, interior and exterior finishes, roof cover, interior partitions, doors, windows, trim, electric wiring and fixtures, rough and finish plumbing, built-in appliances, supervision, design fees, permits, utility hook-ups, the contractors' contingency, overhead and profit. Highly decorative, starkly original or exceptionally well-appointed residences will cost more.

Item Name	Material	Labor	Equipment	TOTAL
Excavation	--	$4,127	$985	$5,112
Foundation, Piers, Flatwork	8,171	13,983	2,004	24,158
Rough Hardware	798	1,367	197	2,362
Rough Carpentry	26,420	42,435	--	68,855
Insulation	4,947	3,680	--	8,627
Exterior Finish	14,065	9,139	1,036	24,240
Exterior Trim	953	1,632	235	2,820
Doors	2,415	2,204	--	4,619
Windows	4,159	3,076	--	7,235
Finish Hardware	402	368	--	770
Garage Door	1,140	506	--	1,646
Roofing, Flashing, Fascia	11,047	10,082	--	21,129
Finish Carpentry	1,466	8,035	--	9,501
Interior Wall Finish	7,038	11,825	--	18,863
Painting	4,205	10,682	--	14,887
Wiring	4,269	8,770	--	13,039
Lighting Fixtures	3,201	1,095	--	4,296
Flooring	3,145	4,855	--	8,000
Carpeting	6,257	2,429	--	8,686
Bath Accessories	1,550	1,038	--	2,588
Shower & Tub Enclosure	989	903	--	1,892
Countertops	2,993	2,729	--	5,722
Cabinets	9,839	3,367	--	13,206
Built In Appliances	4,787	727	--	5,514
Plumbing Rough-in and Connection	4,492	11,871	649	17,012
Plumbing Fixtures	9,126	3,146	--	12,272
Heating and Cooling Systems	6,273	9,410	--	15,683
Unit Heating and Cooling	--	--	--	--
Fireplace and Chimney	924	1,386	--	2,310
Subtotal Direct Job Costs	$145,071	$174,867	$5,106	$325,044
per sq.ft.				$130
Final Cleanup	--	$1,302	--	$1,302
Insurance	9,116	--	--	9,116
Permits & Utilities	5,534	--	--	5,534
Plans & Specs	1,302	--	--	1,302
Subtotal Indirect Job Costs	$15,952	$1,302	$0	$17,254
TOTAL				$342,298

Costs in the tables include all construction costs: labor, material, equipment, plans, building permit, supervision, overhead and profit.
Cost tables do not include land value, site development costs, government mandated fees (other than the building permit) or the cost of modifying unusual soil conditions or grades.
Site preparation, utility lines, government fees and mandates, finance cost and marketing are not part of the construction cost.

Source: National Building Cost Manual, 2010.

- Evaluation of EPS' Single Family Home Value Projections
- SCC Alameda Home Value Premium Analysis
- SCC Alameda Updated Builder Cost Survey
- EPS Table A-1 Residential Housing Appreciation and Inflation in the S.F. Bay Area
- EPS Table 2 Long-Term Construction Cost Trends

CC/ARRA/CIC
Exhibit 3 to
Agenda Item #3-B
07-07-10

Evaluation of EPS' Single Family Home Value Projections

EVALUATION OF EPS HOME VALUE STUDY

Source> EPS Final Report, Alameda Point Pro Forma Market Review dated 05-24-10

EPS Table 4 - Alameda Mean Housing Values (constant $2010)

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Sales Price Per Unit	$666,542	$582,500	Pricing @ 2010	*$900,000*
$/SF	$395	$364	From EPS Draft Report dated 05/11/10	*$360*
Implied Avg. Home Size in SF	*1,687*	*1,600*	*SCC Alameda's calculation.*	*2,500*

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$/SF (in Nominal $ & Assuming All Residential Avg. Unit Size)	*$539*			*$417*
Home Prices Assuming SCC Alameda Projected Avg. Home Sizes:				
Single Family Home Price Assuming 2,500 SF & $539/SF	*$1,347,772*			*$1,041,863*

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EPS Table 9 - Alameda Point Single Family Price Point Forecast (2013-2020)

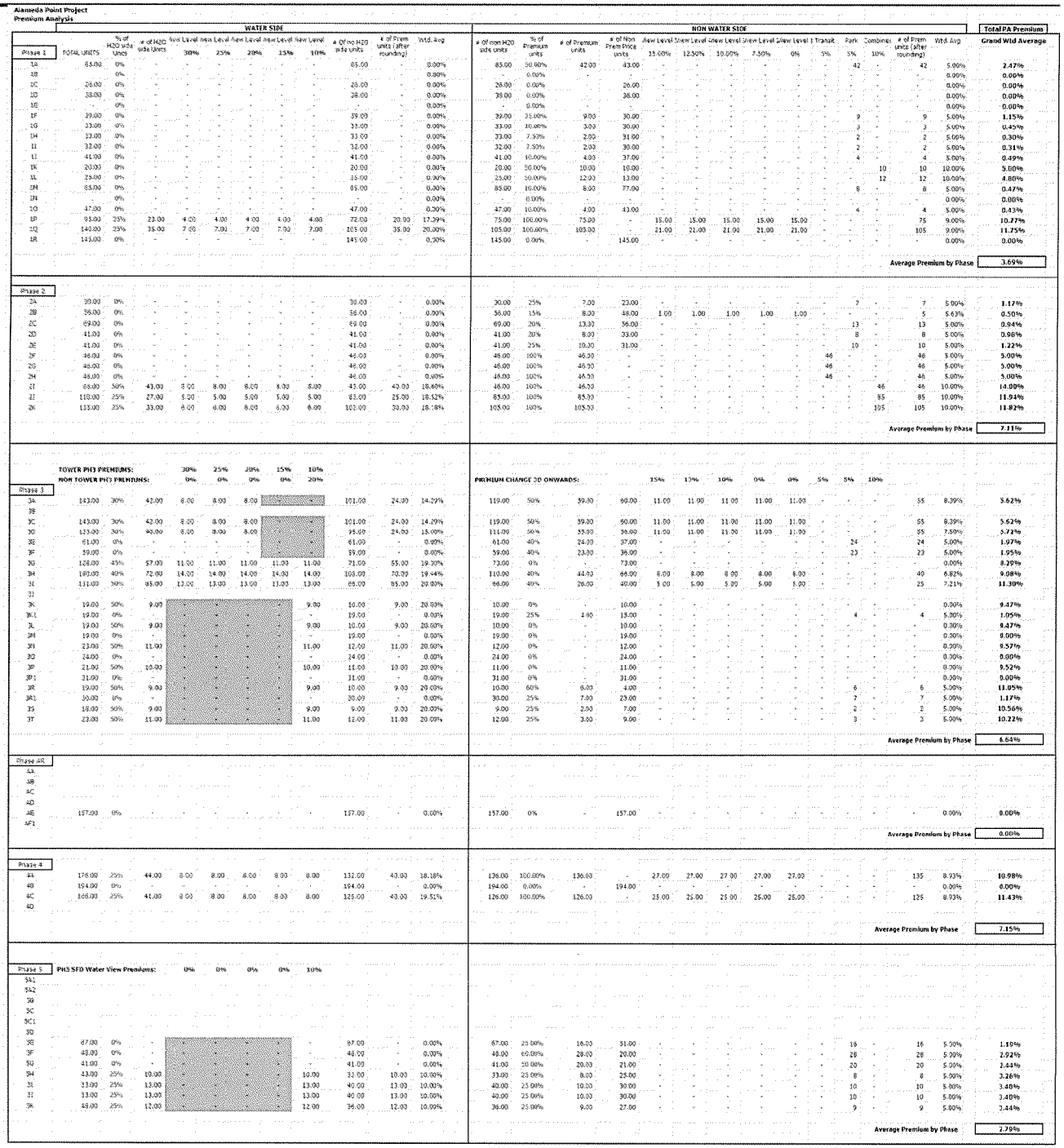
Implied Real Price Growth between Table 4 & "Citywide Price Forecast" in Table 9	*2%*		*For the period between 2010 to 2014.*	*2%*
Citywide Price Forecast @ **2014**		$630,849	EPS Table 9; Pricing @ 2014	
Alameda Point Premium		1.22	EPS Table 9	
Alameda Point Single Family Price Projection (Constant $)	$76[illegible]636		*Actual figure per EPS chart is $766,518; discrepancy due to EPS calculation error.*	
Implied Annual Inflation between Table 4 & Table 9	*3%*		*For the period between 2010 to 2014.*	*3%*
Alameda Point Single Family Price Projection (Nominal $/1,600 SF)	$86[illegible]722		EPS Table 9	
$/SF (in Nominal $ & Assuming All Residential Avg. Unit Size)	[illegible]539			*$417*
Home Prices Assuming SCC Alameda Projected Avg. Home Sizes:				
Single Family Home Price Assuming 2,500 SF & $539/SF	*$1,34[illegible]772*			*$1,041,863*

EPS Table 9 - Alameda Point Point Forecast (2013-2020) w/ Adjustments to Utilize Single Family Pricing Throughout:

*Citywide Price Forecast @ **2014***	*$72[illegible]867*
Alameda Point Premium	*1.22*
Alameda Point Price Projection (Constant $/1,687 SF)	*$88[illegible]677*
Alameda Point Price Projection (Nominal $)	*$98[illegible]194*
$/SF (in Nominal $)	*[illegible]585*
Home Prices Assuming SCC Alameda Projected Avg. Home Sizes:	
Single Family Home Price Assuming 2,500 SF & $585/SF	*$1,462,554*

SCC Alameda Home Value Premium Study

SCC Alameda conducted a parcel by parcel premium analysis and assumed an extra premium beyond the standard 1% for all units envisioned to have any of the following characteristics: waterfront, city skyline, and/or hill views or proximity to parks, open space, and/or transit. SCC Alameda notes that in a Concord market study for Oak Knoll (exhibit I-7 of "Oak Knoll Concord Report" dated 04-20-07), The Concord Group cited examples of projects in Hayward and Oakland with view premiums ranging from **5% to 30%** for full views of San Francisco or the Peninsula.



Alameda Point Project
Premium Analysis

	WATER SIDE											NON WATER SIDE												Total PA Premium
				New Level 1	New Level 2	New Level 3	New Level 4	New Level 5	New Level 6						New Level 1	New Level 2	New Level 3	New Level 4	New Level 5	New Level 6	Transit	Park	Combined		Grand Wtd Average
Phase 1	TOTAL UNITS	% of H2O side Units	# of H2O side Units	30%	25%	20%	15%	10%		# of no H2O side units	# of Prem units (after rounding)	Wtd. Avg	# of non H2O side units	% of Premium units	# of Premium units	# of Non Prem Price units	15.00%	12.50%	10.00%	7.50%	0%	5%	5%	10%	# of Prem units (after rounding)	Wtd. Avg	
1A	65.00	0%	-	-	-	-	-	-		65.00	-	0.00%	65.00	50.00%	42.00	43.00	-	-	-	-	-	-	42	-	42	5.00%	**2.47%**
1B	-	0%	-	-	-	-	-	-		-	-	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
1C	26.00	0%	-	-	-	-	-	-		26.00	-	0.00%	26.00	0.00%	-	26.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
1D	38.00	0%	-	-	-	-	-	-		38.00	-	0.00%	38.00	0.00%	-	38.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
1E	-	0%	-	-	-	-	-	-		-	-	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
1F	39.00	0%	-	-	-	-	-	-		39.00	-	0.00%	39.00	25.00%	9.00	30.00	-	-	-	-	-	-	9	-	9	5.00%	**1.15%**
1G	33.00	0%	-	-	-	-	-	-		33.00	-	0.00%	33.00	10.00%	3.00	30.00	-	-	-	-	-	-	3	-	3	5.00%	**0.45%**
1H	23.00	0%	-	-	-	-	-	-		23.00	-	0.00%	23.00	7.50%	2.00	21.00	-	-	-	-	-	-	2	-	2	5.00%	**0.30%**
1I	32.00	0%	-	-	-	-	-	-		32.00	-	0.00%	32.00	7.50%	2.00	30.00	-	-	-	-	-	-	2	-	2	5.00%	**0.31%**
1J	41.00	0%	-	-	-	-	-	-		41.00	-	0.00%	41.00	10.00%	4.00	37.00	-	-	-	-	-	-	4	-	4	5.00%	**0.49%**
1K	20.00	0%	-	-	-	-	-	-		20.00	-	0.00%	20.00	50.00%	10.00	10.00	-	-	-	-	-	-	-	10	10	10.00%	**5.00%**
1L	25.00	0%	-	-	-	-	-	-		25.00	-	0.00%	25.00	50.00%	12.00	13.00	-	-	-	-	-	-	-	12	12	10.00%	**4.80%**
1M	85.00	0%	-	-	-	-	-	-		85.00	-	0.00%	85.00	10.00%	8.00	77.00	-	-	-	-	-	-	8	-	8	5.00%	**0.47%**
1N	-	0%	-	-	-	-	-	-		-	-	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
1O	47.00	0%	-	-	-	-	-	-		47.00	-	0.00%	47.00	10.00%	4.00	43.00	-	-	-	-	-	-	4	-	4	5.00%	**0.43%**
1P	95.00	25%	23.00	4.00	4.00	4.00	4.00	4.00		72.00	20.00	17.39%	75.00	100.00%	75.00	-	15.00	15.00	15.00	15.00	15.00	-	-	-	75	9.00%	**10.27%**
1Q	140.00	25%	35.00	7.00	7.00	7.00	7.00	7.00		105.00	35.00	20.00%	105.00	100.00%	105.00	-	21.00	21.00	21.00	21.00	21.00	-	-	-	105	9.00%	**11.75%**
1R	145.00	0%	-	-	-	-	-	-		145.00	-	0.00%	145.00	0.00%	-	145.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
																										Average Premium by Phase	**3.69%**
Phase 2																											
2A	30.00	0%	-	-	-	-	-	-		30.00	-	0.00%	30.00	25%	7.00	23.00	-	-	-	-	-	-	7	-	7	5.00%	**1.17%**
2B	36.00	0%	-	-	-	-	-	-		36.00	-	0.00%	36.00	15%	8.00	28.00	1.00	1.00	1.00	1.00	1.00	-	-	-	5	5.63%	**0.50%**
2C	69.00	0%	-	-	-	-	-	-		69.00	-	0.00%	69.00	20%	13.00	56.00	-	-	-	-	-	-	13	-	13	5.00%	**0.94%**
2D	41.00	0%	-	-	-	-	-	-		41.00	-	0.00%	41.00	20%	8.00	33.00	-	-	-	-	-	-	8	-	8	5.00%	**0.96%**
2E	41.00	0%	-	-	-	-	-	-		41.00	-	0.00%	41.00	25%	10.00	31.00	-	-	-	-	-	-	10	-	10	5.00%	**1.22%**
2F	46.00	0%	-	-	-	-	-	-		46.00	-	0.00%	46.00	100%	46.00	-	-	-	-	-	-	46	-	-	46	5.00%	**5.00%**
2G	46.00	0%	-	-	-	-	-	-		46.00	-	0.00%	46.00	100%	46.00	-	-	-	-	-	-	46	-	-	46	5.00%	**5.00%**
2H	46.00	0%	-	-	-	-	-	-		46.00	-	0.00%	46.00	100%	46.00	-	-	-	-	-	-	46	-	-	46	5.00%	**5.00%**
2I	86.00	50%	43.00	8.00	8.00	8.00	8.00	8.00		43.00	43.00	18.60%	46.00	100%	46.00	-	-	-	-	-	-	-	-	46	46	10.00%	**14.00%**
2J	110.00	25%	27.00	5.00	5.00	5.00	5.00	5.00		83.00	25.00	18.52%	85.00	100%	85.00	-	-	-	-	-	-	-	-	85	85	10.00%	**11.94%**
2K	133.00	25%	33.00	6.00	6.00	6.00	6.00	6.00		102.00	30.00	18.18%	105.00	100%	105.00	-	-	-	-	-	-	-	-	105	105	10.00%	**11.82%**
																										Average Premium by Phase	**7.11%**
	TOWER PH3 PREMIUMS:			30%	25%	20%	15%	10%					PREMIUM CHANGE 30 ONWARDS:				15%	10%	10%	0%	0%	5%	5%	10%			
	NON TOWER PH3 PREMIUMS:			0%	0%	0%	0%	20%																			
Phase 3																											
3A	143.00	30%	42.00	8.00	8.00	8.00	-	-		101.00	24.00	14.29%	119.00	50%	59.00	60.00	11.00	11.00	11.00	11.00	11.00	-	-	-	55	8.39%	**5.62%**
3B	-																										
3C	143.00	30%	42.00	8.00	8.00	8.00	-	-		101.00	24.00	14.29%	119.00	50%	59.00	60.00	11.00	11.00	11.00	11.00	11.00	-	-	-	55	8.39%	**5.62%**
3D	123.00	30%	40.00	8.00	8.00	8.00	-	-		95.00	24.00	15.00%	111.00	50%	55.00	56.00	11.00	11.00	11.00	11.00	11.00	-	-	-	55	7.58%	**5.72%**
3E	61.00	0%	-	-	-	-	-	-		61.00	-	0.00%	61.00	40%	24.00	37.00	-	-	-	-	-	-	24	-	24	5.00%	**1.97%**
3F	59.00	0%	-	-	-	-	-	-		59.00	-	0.00%	59.00	40%	23.00	36.00	-	-	-	-	-	-	23	-	23	5.00%	**1.95%**
3G	126.00	45%	57.00	11.00	11.00	11.00	11.00	11.00		71.00	55.00	19.30%	73.00	0%	-	73.00	-	-	-	-	-	-	-	-	-	0.00%	**8.29%**
3H	180.00	40%	72.00	14.00	14.00	14.00	14.00	14.00		108.00	70.00	19.44%	110.00	40%	44.00	66.00	8.00	8.00	8.00	8.00	8.00	-	-	-	40	6.82%	**9.08%**
3I	131.00	50%	65.00	13.00	13.00	13.00	13.00	13.00		66.00	65.00	20.00%	66.00	40%	26.00	40.00	5.00	5.00	5.00	5.00	5.00	-	-	-	25	7.21%	**11.30%**
3J																											
3K	19.00	50%	9.00	-	-	-	-	9.00		10.00	9.00	20.93%	10.00	0%	-	10.00	-	-	-	-	-	-	-	-	-	0.00%	**9.47%**
3K1	19.00	0%	-	-	-	-	-	-		19.00	-	0.00%	19.00	25%	4.00	15.00	-	-	-	-	-	-	4	-	4	5.00%	**1.05%**
3L	19.00	50%	9.00	-	-	-	-	9.00		10.00	9.00	20.00%	10.00	0%	-	10.00	-	-	-	-	-	-	-	-	-	0.00%	**8.47%**
3M	19.00	0%	-	-	-	-	-	-		19.00	-	0.00%	19.00	0%	-	19.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
3N	23.00	50%	11.00	-	-	-	-	11.00		12.00	11.00	20.00%	12.00	0%	-	12.00	-	-	-	-	-	-	-	-	-	0.00%	**9.57%**
3O	24.00	0%	-	-	-	-	-	-		24.00	-	0.00%	24.00	0%	-	24.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
3P	21.00	50%	10.00	-	-	-	-	10.00		11.00	10.00	20.00%	11.00	0%	-	11.00	-	-	-	-	-	-	-	-	-	0.00%	**9.52%**
3P1	31.00	0%	-	-	-	-	-	-		31.00	-	0.00%	31.00	0%	-	31.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
3R	19.00	50%	9.00	-	-	-	-	9.00		10.00	9.00	20.00%	10.00	60%	6.00	4.00	-	-	-	-	-	-	6	-	6	5.00%	**11.05%**
3R1	30.00	0%	-	-	-	-	-	-		30.00	-	0.00%	30.00	25%	7.00	23.00	-	-	-	-	-	-	7	-	7	5.00%	**1.17%**
3S	18.00	50%	9.00	-	-	-	-	9.00		9.00	9.00	20.00%	9.00	25%	2.00	7.00	-	-	-	-	-	-	2	-	2	5.00%	**10.56%**
3T	22.00	50%	11.00	-	-	-	-	11.00		12.00	11.00	20.00%	12.00	25%	3.00	9.00	-	-	-	-	-	-	3	-	3	5.00%	**10.22%**
																										Average Premium by Phase	**6.64%**
Phase AR																											
AA																											
AB																											
AC																											
AD																											
AE	157.00	0%	-	-	-	-	-	-		157.00	-	0.00%	157.00	0%	-	157.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
AF1																											
																										Average Premium by Phase	**0.00%**
Phase 4																											
4A	176.00	25%	44.00	8.00	8.00	8.00	8.00	8.00		132.00	40.00	18.18%	136.00	100.00%	136.00	-	27.00	27.00	27.00	27.00	27.00	-	-	-	135	8.93%	**10.98%**
4B	194.00	0%	-	-	-	-	-	-		194.00	-	0.00%	194.00	0.00%	-	194.00	-	-	-	-	-	-	-	-	-	0.00%	**0.00%**
4C	165.00	25%	41.00	8.00	8.00	8.00	8.00	8.00		125.00	40.00	19.51%	126.00	100.00%	126.00	-	25.00	25.00	25.00	25.00	25.00	-	-	-	125	8.93%	**11.43%**
4D																											
																										Average Premium by Phase	**7.15%**
Phase 5	PH5 SFD Water View Premiums:			0%	0%	0%	0%	10%																			
5A1																											
5A2																											
5B																											
5C																											
5C1																											
5D																											
5E	67.00	0%	-	-	-	-	-	-		67.00	-	0.00%	67.00	25.00%	16.00	51.00	-	-	-	-	-	-	16	-	16	5.00%	**1.19%**
5F	48.00	0%	-	-	-	-	-	-		48.00	-	0.00%	48.00	60.00%	28.00	20.00	-	-	-	-	-	-	28	-	28	5.00%	**2.92%**
5G	41.00	0%	-	-	-	-	-	-		41.00	-	0.00%	41.00	50.00%	20.00	21.00	-	-	-	-	-	-	20	-	20	5.00%	**2.44%**
5H	43.00	25%	10.00	-	-	-	-	10.00		33.00	10.00	10.00%	33.00	25.00%	8.00	25.00	-	-	-	-	-	-	8	-	8	5.00%	**3.26%**
5I	53.00	25%	13.00	-	-	-	-	13.00		40.00	13.00	10.00%	40.00	25.00%	10.00	30.00	-	-	-	-	-	-	10	-	10	5.00%	**3.40%**
5J	53.00	25%	13.00	-	-	-	-	13.00		40.00	13.00	10.00%	40.00	25.00%	10.00	30.00	-	-	-	-	-	-	10	-	10	5.00%	**3.40%**
5K	48.00	25%	12.00	-	-	-	-	12.00		36.00	12.00	10.00%	36.00	25.00%	9.00	27.00	-	-	-	-	-	-	9	-	9	5.00%	**3.44%**
																										Average Premium by Phase	**2.79%**

SCC Alameda Builder Cost Survey - Updated May 2010

Survey of Builder Direct Costs — 5/19/2010

City	Product	Lot Size	Quality	Direct Cost ($/SF)	Notes	SunCal Directs
Bay Area	Cluster 1,560 SF	n/a		$ 74		
Bay Area	Cluster 2,359 SF	n/a		$ 65		
Bay Area	Townhome 17 du/ac	Att.		$ 105		
Bay Area	Townhome 25 du/ac	Att.		$ 115		
Bay Area	Townhome 17 du/ac	Att.		$ 113		
Bay Area	Townhome 22-25du/ac	Att.		$ 125		
East Bay	Attached			$90-$113	$72-$90/sf for non-union wages; assume 25% adjustment for union wages	$115-$125
East Bay	Attached			$94-$113	$75-$90/sf for non-union wages; assume 25% adjustment for union wages	
Bay Area	Podium	Att.		$ 250		
Bay Area	Podium	Att.		$ 220		
East Bay	Podium Flats	n/a		$ 200		
East Bay	Podium Flats	n/a		$ 250		$268
East/South Bay	Podium/multistory, underground parking	n/a	Quality	$ 320		
East/South Bay	At grade parking, podium, townhome, condo	n/a	Quality	$ 180		
Bay Area	SFD	2300	High End	$ 100		
Bay Area	SFD	3000	High End	$ 95		
Bay Area	SFD	4000	High End	$ 85		
Bay Area	SFD	6000	High End	$ 85		
Bay Area	SFD 2,080 SF	n/a		$ 78		
Bay Area	SFD 3,685 SF	n/a		$ 62		
Bay Area	SFD 6-10 du/ac	n/a		$95		
East Bay	SFD	n/a	Small Lot	$ 85		
East Bay	SFD	n/a	Small Lot	$ 95		
Discovery Bay	SFD; 1,870SF	n/a	1-story; 1-A	$ 77		
Discovery Bay	SFD; 1,870SF	n/a	1-story; 1-B	$ 74		
Discovery Bay	SFD; 1,870SF	n/a	1-story; 1-C	$ 75		
East Bay only	SFD	n/a	Entry Level	$ 84		
East Bay only	SFD	Smaller	Entry Level	$ 86		
East Bay only	SFD	Standard	Move Up	$ 86		
East Bay only	SFD	Smaller	Move Up	$ 88		
East Bay only	SFD	Standard	Upgrade	$ 89		$105
East Bay only	SFD	Standard	2nd level Upgrade	$ 92		
East Bay only	SFD	Standard	Executive	$ 95		
East Bay	SFD	n/a		$ 75		
East Bay	SFD	n/a		$ 85		
East/South Bay	SFD	n/a	Basic 1	$ 81		
East/South Bay	SFD	n/a	Basic 2	$ 86		
East/South Bay	SFD	n/a	Quality - small lot	$ 95	Also built in Sonoma/Napa	
East/South Bay	SFD	n/a	Quality - traditional	$ 78	Also built in Sonoma/Napa	
East/South Bay	SFD	n/a	Quality - traditional	$ 85	Also built in Sonoma/Napa	
East/South Bay	SFD	n/a	Quality - Lg lot/home	$ 85	Also built in Sonoma/Napa	
East/South Bay	SFD	n/a	Quality - Lg lot/home	$ 95	Also built in Sonoma/Napa	
East Bay	SFD			$81-$113	$65-$90/sf for non-union wages; assume 25% adjustment for union wages	
East Bay	SFD			$75-$94	$60-$75/sf for non-union wages; assume 25% adjustment for union wages	
East Bay	SFD			$105		
Bay Area	Townhome	Att.	High End	$ 125		
Bay Area	Townhome 1,378 SF	Att.		$ 110		
Bay Area	Townhome 2,441 SF	Att.		$ 100		
Bay Area	Townhome 17 du/ac	Att.		$ 105		
Bay Area	Townhome 25 du/ac	Att.		$ 115		
Bay Area	Townhome 17 du/ac	Att.		$ 113		$115-$125
Bay Area	Townhome 22-25du/ac	Att.		$ 125		
East Bay	Townhome	n/a		$ 95		
East Bay	Townhome	n/a		$ 120		
East/South Bay	Townhome	n/a	Quality	$ 125	Also built in Sonoma/Napa	

* Information denoted in blue above denotes discussions that occurred in May 2010. Builders in survey include Signature Properties, Trumark, DeNova, KB Homes, Brookfield, Centex, Meritage, Shapell, Warmington, SummerHill, etc.

EPS Single-Family Direct Cost Justification

Building costs for this house: 2,500 sq.ft., wood exterior (no brick), standard interior finishes.
Generally based on Bayport exterior configurations (10 or more corners).
Tract (not custom) house in suburban location.
This is an estimate for a single-family residence built under competitive conditions in Zip area 945-947 Oakland, California in May, 2010. This estimate includes a foundation as required for normal soil conditions, excavation for foundation and piers on a prepared building pad, floor, wall, interior and exterior finishes, roof cover, interior partitions, doors, windows, trim, electric wiring and fixtures, rough and finish plumbing, built-in appliances, supervision, design fees, permits, utility hook-ups, the contractors' contingency, overhead and profit. Highly decorative, starkly original or exceptionally well-appointed residences will cost more.

Item Name	Material	Labor	Equipment	TOTAL
Excavation	--	$4,127	$985	$5,112
Foundation, Piers, Flatwork	8,171	13,983	2,004	24,158
Rough Hardware	798	1,367	197	2,362
Rough Carpentry	26,420	42,435	--	68,855
Insulation	4,947	3,680	--	8,627
Exterior Finish	14,065	9,139	1,036	24,240
Exterior Trim	953	1,632	235	2,820
Doors	2,415	2,204	--	4,619
Windows	4,159	3,076	--	7,235
Finish Hardware	402	368	--	770
Garage Door	1,140	506	--	1,646
Roofing, Flashing, Fascia	11,047	10,082	--	21,129
Finish Carpentry	1,466	8,035	--	9,501
Interior Wall Finish	7,038	11,825	--	18,863
Painting	4,205	10,682	--	14,887
Wiring	4,269	8,770	--	13,039
Lighting Fixtures	3,201	1,095	--	4,296
Flooring	3,145	4,855	--	8,000
Carpeting	6,257	2,429	--	8,686
Bath Accessories	1,550	1,038	--	2,588
Shower & Tub Enclosure	989	903	--	1,892
Countertops	2,993	2,729	--	5,722
Cabinets	9,639	3,567	--	13,206
Built In Appliances	4,787	727	--	5,514
Plumbing Rough-in and Connection	4,492	11,871	649	17,012
Plumbing Fixtures	9,126	3,146	--	12,272
Heating and Cooling Systems	6,273	9,410	--	15,683
Unit Heating and Cooling	--	--	--	--
Fireplace and Chimney	924	1,386	--	2,310
Subtotal Direct Job Costs	$145,071	$174,867	$5,106	$325,044
per sq.ft.				$130
Final Cleanup	--	$1,302	--	$1,302
Insurance	9,116	--	--	9,116
Permits & Utilities	5,534	--	--	5,534
Plans & Specs	1,302	--	--	1,302
Subtotal Indirect Job Costs	$15,952	$1,302	$0	$17,254
TOTAL				$342,298

Costs in the tables include all construction costs: labor, material, equipment, plans, building permit, supervision, overhead and profit.
Cost tables do not include land value, site development costs, government mandated fees (other than the building permit) or the cost of modifying unusual soil conditions or grades.
Site preparation, utility lines, government fees and mandates, finance cost and marketing are not part of the construction cost.

Source: National Building Cost Manual, 2010.

Table A-1
Residential Housing Appreciation and Inflation in the San Francisco Bay Area
Alameda Point Redevelopment; EPS #14012

Time Period	Annual Growth			
	Nominal Growth (1) (Case-Shiller)	Nominal Growth (2) (Data Quick)	Inflation	Real Growth (3)
20-year average	5.3%	5.6%	3.1%	2.3%
15-year average	6.0%	6.6%	2.8%	3.5%
10-year average	7.0%	7.9%	3.0%	4.5%
5-year average	1.7%	4.9%	2.5%	0.9%

(1) Based on the single-family housing value growth in the San Francisco region.
(2) Based on residential sale values in the City of Alameda.
(3) An average of the Case-Shiller and Data Quick nominal growth minus inflation.

Sources: Bureau of Labor Statistics; Standard & Poor's/Case-Shiller Home Price Index; Data Quick; Economic & Planning Systems, Inc.

Table A-1
Residential Housing Appreciation and Inflation in the San Francisco Bay Area
Alameda Point Redevelopment; EPS #14012

Time Period	Annual Growth				Weighted Average Real Growth
	Nominal Growth (1) (Case-Shiller)	Nominal Growth (2) (Data Quick)	Inflation	Real Growth (3)	
20-year average	5.3%	5.6%	3.1%	2.3%	
15-year average	6.0%	6.6%	2.8%	3.5%	
10-year average	7.0%	7.9%	3.0%	4.5%	2.96%
5-year average	1.7%	4.9%	2.5%	0.9%	

(1) Based on the single-family housing value growth in the San Francisco region.
(2) Based on residential sale values in the City of Alameda.
(3) An average of the Case-Shiller and Data Quick nominal growth minus inflation.

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20-year average	5.3%	5.6%	3.1%	2.3%	
15-year average	6.0%	6.6%	2.8%	3.5%	
10-year average	7.0%	7.9%	3.0%	4.5%	2.96%
5-year average	1.7%	4.9%	2.5%	0.9%	

(1) Based on the single-family housing value growth in the San Francisco region.
(2) Based on residential sale values in the City of Alameda.
(3) An average of the Case-Shiller and Data Quick nominal growth minus inflation.

Sources: Bureau of Labor Statistics; Standard & Poor's/Case-Shiller Home Price Index; Data Quick; Economic & Planning Systems, Inc.

SCC Alameda
Pro Forma Projection

2.00%

Table 2
Long-Term Construction Cost Trends

Period	Annual Growth Rate CPI	Mc Graw Hill Construction Cost (1)	Marshall & Swift Construction Cost (2)	Average Construction Cost	Real Construction Cost Growth
1997 - 2007	3.0%	3.1%	4.0%	3.5%	0.5%
1995 - 2007	3.0%	3.1%	3.6%	3.4%	0.4%
1990 - 2007	2.9%	2.6%	3.3%	3.0%	0.1%
1987 - 2007	3.3%	2.7%	3.2%	2.9%	-0.4%
1980 - 2007	3.7%	2.9%	3.1%	3.0%	-0.7%

(1) Includes the cost of steel, lumber, cement, and unskilled labor.
(2) Includes class A,B,C,D, and S construction in the Western district.

Sources: BLS, McGraw Hill Cost Index, Marshall & Swift, and Economic & Planning Systems, Inc.

Table 2
Long-Term Construction Cost Trends

Period	Annual Growth Rate				
	CPI	Mc Graw Hill Construction Cost (1)	Marshall & Swift Construction Cost (2)	Average Construction Cost	Real Construction Cost Growth
1997 - 2007	3.0%	3.1%	4.0%	3.5%	0.5%
1995 - 2007	3.0%	3.1%	3.6%	3.4%	0.4%
1990 - 2007	2.9%	2.8%	3.3%	3.0%	0.1%
1987 - 2007	3.3%	2.7%	3.2%	2.9%	-0.4%
1980 - 2007	3.7%	2.9%	3.1%	3.0%	-0.7%

Weighted Average Cost Growth = 0.18%

(1) Includes the cost of steel, lumber, cement, and unskilled labor.
(2) Includes class A,B,C,D, and S construction in the Western district.

Sources: BLS, McGraw Hill Cost Index, Marshall & Swift, and Economic & Planning Systems, Inc.

EPS Table 2 Long-Term Construction Cost Trends

Table 2
Long-Term Construction Cost Trends

Period	Annual Growth Rate				
	CPI	Mc Graw Hill Construction Cost (1)	Marshall & Swift Construction Cost (2)	Average Construction Cost	Real Construction Cost Growth
1997 - 2007	3.0%	3.1%	4.0%	3.5%	0.5%
1995 - 2007	3.0%	3.1%	3.6%	3.4%	0.4%
1990 - 2007	2.9%	2.8%	3.3%	3.0%	0.1%
1987 - 2007	3.3%	2.7%	3.2%	2.9%	-0.4%
1980 - 2007	3.7%	2.9%	3.1%	3.0%	-0.7%

Weighted Average Cost Growth

= 0.18%

(1) Includes the cost of steel, lumber, cement, and unskilled labor.
(2) Includes class A,B,C,D, and S construction in the Western district.

Sources: BLS, McGraw Hill Cost Index, Marshall & Swift, and Economic & Planning Systems, Inc.

SCC Alameda
Pro Forma Projection

0.00%

MEMORANDUM

To: Jennifer Ott, City of Alameda

From: James Musbach and Michael Nimon

Subject: Response to SunCal's Comments on May 24, 2010 Final Report, Alameda Point Pro Forma Market Review, prepared by EPS; EPS #14012

Date: June 29, 2010

The Economics of Land Use

This memorandum augments the Alameda Point Pro Forma Market Review conducted by Economic & Planning Systems, Inc. (EPS) for the City of Alameda on May 24, 2010, and responds to SunCal's June 1 Alameda City Council presentation and letter to the City titled "Response to Comments on 'Modified Optional Entitlement Agreement.'" These documents raised several issues related to the EPS market review findings which are addressed in this memorandum.

The EPS Pro Forma Market Review report documents our recommendations for key pro forma assumptions and provides data, research, and analysis underpinning those recommendations. The EPS Market Review report provides current market information as well as a review of past data and estimates of potential future trends.

SunCal's response to the EPS market review relies on data selectively pulled from different reports done over the last several years, including data from preliminary drafts that was subsequently revised, in order to refute EPS's recommendations. Moreover, in many cases their arguments do not adequately take account of the significant changes in the real estate markets that have taken place as a result of the unprecedented recession of the last several years. Consequently, EPS believes that many of their assumptions are not supported by sound data and analysis. Each point in SunCal's response is addressed below.

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Single-Family Home Sales Prices

SunCal states that EPS used average per-unit home sales consisting of average unit sizes of approximately 1,600 square feet to calculate the projected value for single-family homes at Alameda Point, which in their view would result in higher values given the larger units of 2,500 square feet proposed for Alameda Point.

This is not correct. EPS' projected single-family home values for 2,500- square foot homes at Alameda Point are based on and consistent with Bayport single-family home sales that averaged 2,433 square feet per unit based on recent listings and are further supported by the recently sold Grand Marina Village units that averaged approximately 2,300 square feet.

Table 1 below displays the square foot calculation. The EPS calculation of values per square foot uses 2,500 square feet, not the 1,600-square foot average which is asserted in SunCal's comments.

Table 1
Comparison of Single-Family Price Estimates*

EPS Alameda Point (2014)	$860,000 per unit	2,500 sq.ft.	$344/sq.ft.**
SunCal Alameda Point (2014)	$1,042,000 per unit	2,500 sq.ft.	$417/sq.ft.
Bayport Sale Listings (2010)			
Listing 1	$750,000 per unit	2,000 sq.ft.	$375/sq.ft.
Listing 2	$649,000 per unit	2,219 sq.ft.	$292/sq.ft.
Listing 3	$849,000 per unit	3,150 sq.ft.	$270/sq.ft.
Listing 4	$749,500 per unit	2,361 sq.ft.	$317/sq.ft.
Bayport Average	**$749,375 per unit**	**2,433 sq.ft.**	**$314/sq.ft.**

* Excludes options and premiums.

** SunCal assumed a 1,600 square foot unit when calculating EPS's average price for an Alameda Point single-family unit, resulting in $539/sq.ft. rather than the $344/sq.ft. shown in this table.

SunCal data does not support its proposed pricing. SunCal has provided:

- Market analysis conducted in 2008 by Mark Company and the Concord Group recommending single-family prices of $1 million. SunCal subsequently assumed $900,000. However, even though the market has since declined significantly, SunCal has not modified its pricing.
- SunCal's 2009 price data for the Alameda, Berkeley, and Oakland areas showing prices for new single-family units ranging between $424,300 and $605,000 per unit or $276 per square foot. For comparison, this value would translate into a price of $690,000 per unit for

Alameda Point based on SunCal's single-family home size of 2,500 square feet. SunCal does not document how or why a significantly higher price is justified at Alameda Point.

EPS based its price forecast on a review of Bayport sales and listings over time. These prices are also supported by recent sales at Grand Marina. EPS compared Bayport prices to citywide prices and determined that Bayport units commanded a 20 to 22 percent price advantage over average sales prices for all for-sale units in the City of Alameda. This is due not only to location and amenities, but also the larger average size of Bayport units.

EPS assumed that Alameda Point single-family units would command a price similar to Bayport, plus an additional premium for Alameda Point's amenities (see discussion below). EPS forecasted citywide growth in prices based on regional population and income growth, assuming market stabilization. Alameda Point prices are assumed to maintain a 20 to 22 percent price advantage over projected average citywide prices for all units. The analysis of single-family home price growth also provides a basis for price forecasts for single-family attached units.

Forecasting home prices is difficult given the uncertainty of a wide range of market and financial factors impacting future prices. While the EPS market assessment suggests that SunCal's single-family home price estimates are highly optimistic, EPS will conduct sensitivity analysis to test the implications for Alameda Point feasibility if the market experiences a stronger than expected recovery or Alameda Point is able to command a higher than expected premium in the marketplace.

Additional Price Premiums

SunCal projects that single-family price premiums at Alameda Point will reach as high as 11.5 percent of home values and that EPS's premium assumptions of 1 percent are too low. SunCal initially provided no support for its assumptions but recently submitted additional documentation which EPS has reviewed.

EPS assumes that an additional premium averaging 1 percent would be applied to forecasted detached single-family home values, compared to Bayport-equivalent homes. This implies that homes closer to the waterfront will obtain higher premiums, while other homes, such as the ones facing Hangars or other dilapidated buildings, especially in the first phases of the Project, may result in no or negative premiums. These premiums are in addition to the base price which already reflects the advantages associated with a new master-planned community such as Bayport. This assumption is more conservative relative to SunCal's average premium of about 5 percent above its base price for single-family detached units applied to already high home prices of $1,042,000 by 2014.

With these price premiums, EPS estimates detached single-family home values of about $870,000 by 2014, 21 percent below SunCal's estimate of $1,097,000 per unit (before considering options that would result in additional value increase). By 2020, these values increase to $1,120,000 and $1,470,000 respectively, a difference of nearly 25 percent. While EPS is not in agreement with SunCal's 5 percent price premium assumptions for single-family detached units, it will conduct sensitivity analysis of the premium range in the Alameda Point feasibility analysis. EPS is in general agreement with SunCal regarding increasing premiums for higher density multifamily products that are more likely to have view premiums.

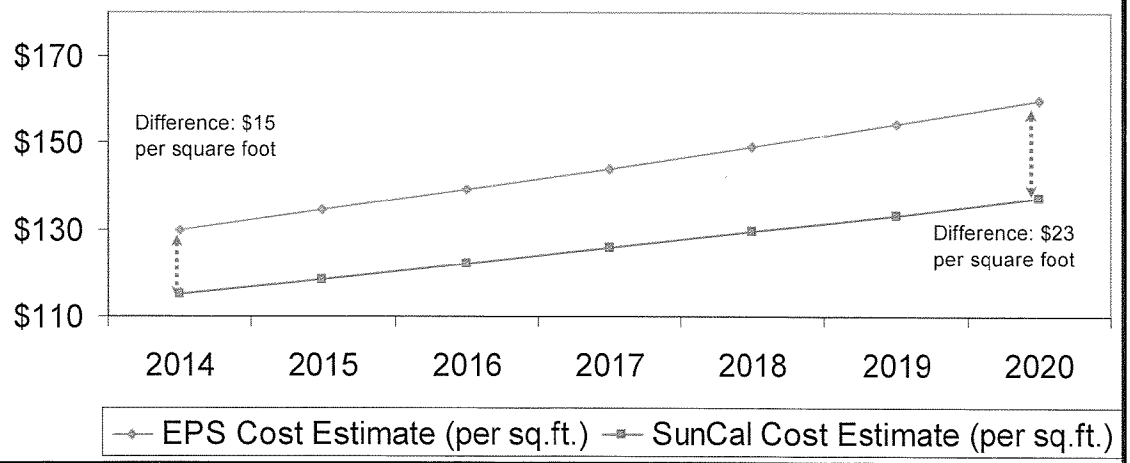
Construction Costs

SunCal assumes single-family direct construction cost of $105 per square foot in 2010 escalating to $115 by 2014. SunCal provided a list of construction projects in the Bay Area that support this cost for single-family units, although detail about these projects, such as home values and construction type, has not been provided.

EPS bases its single-family direct construction cost recommendations on various industry sources including standard industry cost-estimating sources and review of pro forma analyses for prevailing wage projects. Prevailing wage projects generally result in construction costs that are 20 to 25 percent above non-prevailing wage costs. SunCal indicated that it adjusted survey data to reflect prevailing wage-equivalent costs; however, this adjustment is not explicit in its data.

While construction costs of $100 to $110 per square foot may be reasonable for lower-end units, higher-quality construction, such as units planned for Alameda Point forecasted to sell at a significant premium above the citywide market prices, are estimated to cost in the range of $115 to $125 per square foot. These construction costs translate into costs of $130 per square foot by 2014, the first year that residential units would be developed. While the difference between the EPS recommendations and SunCal assumptions is initially relatively insignificant, the impact on the overall land sale revenues is substantial over the buildout of the Project, especially given the difference in annual rate of cost escalation. This difference for single-family direct construction costs is illustrated in **Figure 1**.

Figure 1: Comparison of Alameda Point Single-Family Detached Direct Construction Costs



There are many factors that contribute to uncertainty about future construction costs and their forecasting, such as specific detail about construction type, economic and real estate market shifts, and capital market changes. While EPS is not in agreement with SunCal's direct construction cost estimates for single-family homes, it will conduct sensitivity analysis of lower

construction costs and their impacts on the Alameda Point feasibility analysis. Construction costs per square foot vary by product type, with higher-density units generally costing more per square foot than single-family units.

Absorption

SunCal assumes an average annual rate of absorption of 454 market-rate units or an overall annual rate of absorption of 605 units (including below-market-rate units). This implies that SunCal will sell the land to builders who will build and sell 454 market-rate units a year or more than one unit per day. SunCal has not provided adequate support for its absorption schedule.

EPS recommends a rate of absorption ranging between 300 and 350 market-rate units a year. As described in EPS's Alameda Point Pro Forma Market Review analysis (May 24, 2010), the assumptions are based on estimates of projected market demand and competitive supply of product similar to what is proposed in Alameda Point. The analysis considers factors such as a likely number of builders, typical builder rates, absorption for other comparable projects, and the context of local and regional projections. These assumptions translate into construction and sales of homes by five to seven builders simultaneously, assuming an average of up to 60 sales per year or just over one sale a week. This rate of sale is consistent with historic trends.

While SunCal has not provided any support for its more aggressive annual absorption rate of 390 to 450 units, SunCal's June 1 letter indicates that it is willing to reduce its annual absorption forecast. Reduction of residential absorption would have an adverse impact on Project financial returns as the timing of the overall development would be prolonged.

Home Value Appreciation

SunCal assumes real appreciation of 2 percent above inflation on home prices, or 5 percent annually (if inflation is 3 percent). SunCal supports this assumption by referring to an EPS analysis in 2008. However, EPS has since revised its estimate in light of the de-leveraging in the real estate market since 2008, and its likely long-term impact on price appreciation, relative to household incomes. As noted above for home prices, SunCal continues to assume prices and appreciation based on outdated market information, reflecting unsustainable home appreciation.

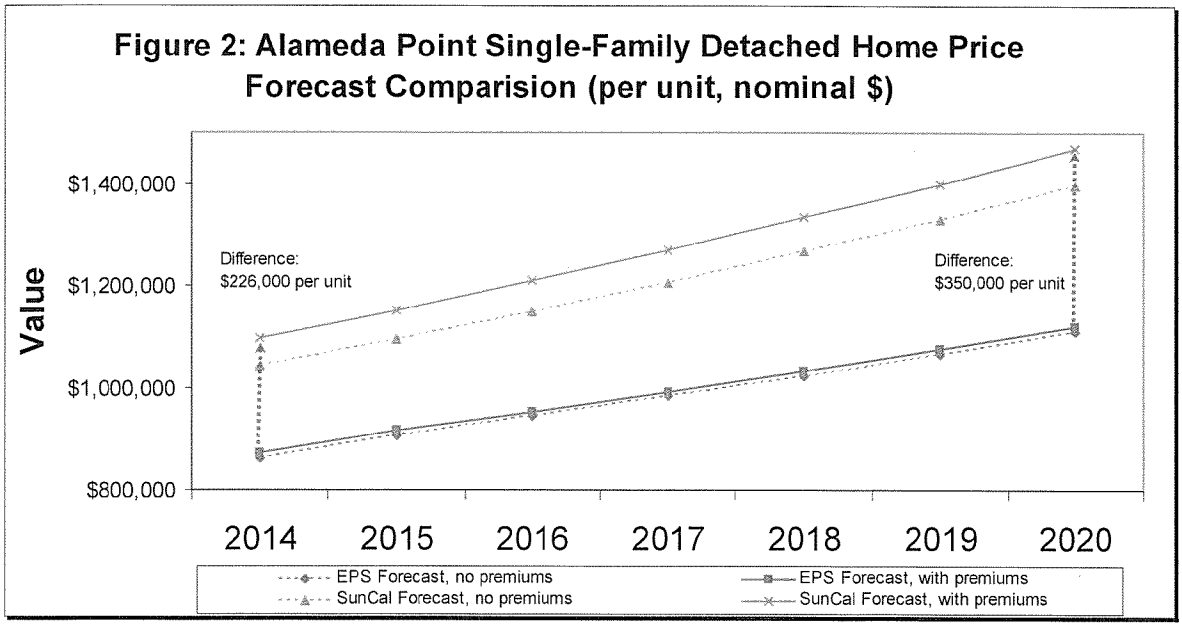
EPS considers a number of standard industry sources in its Pro Forma Market Review to support its recommendations for home value appreciation. These sources include the Case-Schiller index, RAND, and DataQuick. EPS's recommendation for Alameda Point includes real home price appreciation of between 1.3 and 1.5 percent a year.

SunCal's own market data for new single-family home sales in Alameda, Oakland, and Berkeley shows real appreciation of between -0.8 and 0.8 percent between 1989 and 2009, which is significantly below SunCal's current assumptions. While choosing different time periods could yield different results based on market shifts over time, EPS recommendations reflect normalized market conditions and are based on data reflecting at least one full economic cycle. For instance, EPS does not end its time period in 2007, which would substantially overestimate appreciation by excluding recent declines.

SunCal's current pro forma assumptions reflect an optimistic real appreciation rate of 2.0 percent annually throughout the Project buildout period and beyond and no cost escalation above inflation (see further discussion below), which result in aggressive projections of land value increases over time. While SunCal has not provided any independent support for these assumptions, its recent submittal to the City utilizes prior drafts of the EPS analysis conducted several years ago during substantially different market conditions. Information presented by SunCal on June 1 reflects outdated market assumptions made during (or near) the peak of the real estate market, which, in retrospect, was being fueled by unsound lending practices that are not likely to recur. In addition, SunCal calculates historical average appreciation by averaging overlapping time periods, which is not mathematically correct. For example, an annual growth rate over a 5-year period between 2002 and 2007 cannot be averaged with a 10-year growth rate between 1997 and 2007.

Figure 2 illustrates a comparison of single-family home values forecasted by EPS and SunCal over Project buildout. The SunCal single-family home price forecast increases to $1.4 million by 2020 and assumes increases at 5 percent a year over development of the Project.

Figure 2: Alameda Point Single-Family Detached Home Price Forecast Comparision (per unit, nominal $)



Cost Escalation

SunCal assumes no escalation of vertical development costs above inflation. SunCal has not provided any independent analysis of this assumption but cites earlier EPS analysis showing that costs have been less than inflation over a 37-year period and 0.5 percent above inflation over the past 10 years. EPS is using the more conservative and recent average.

EPS considers a number of standard industry sources in its Pro Forma Market Review to support its recommendations for cost escalation rates over time. These sources include the ENR Construction Cost indices. EPS's recommendation for Alameda Point includes cost escalation of

between 0.3 and 0.5 percent above inflation. This recommendation is based on the most current trends as documented in the Pro Forma Market Review and is reflective of detailed analysis of cost indices.

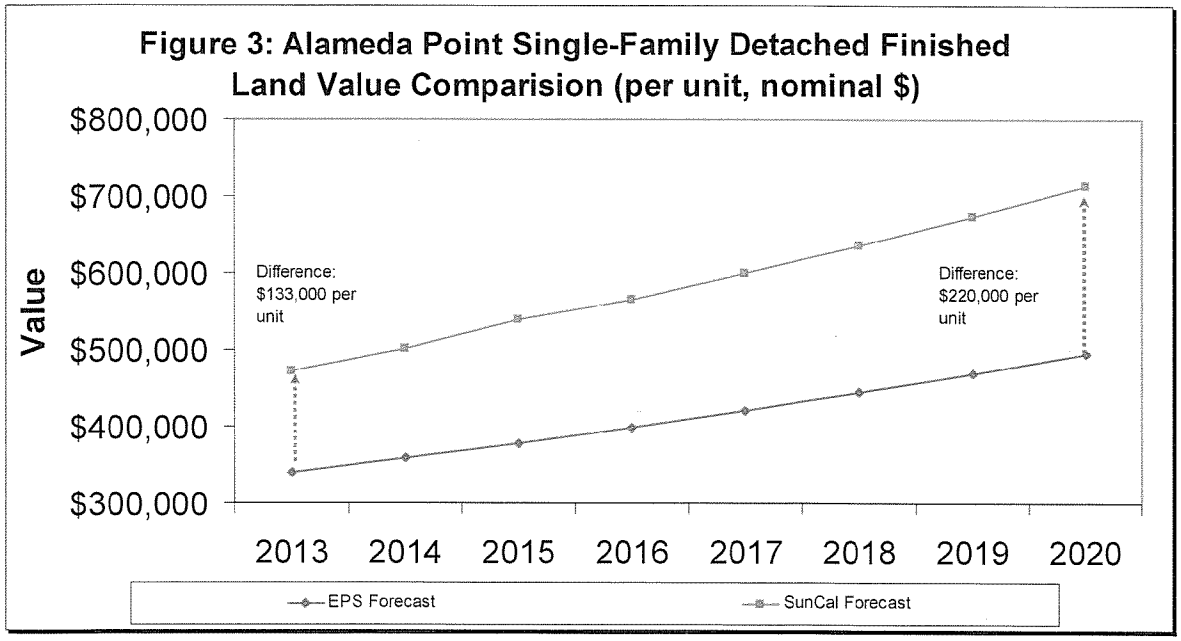
Improved Land Value

SunCal projects current land values in Alameda Point to range between $4.0 million and $7.7 million for single-family uses, depending on density; multifamily land prices fall within this range. These values are projected to grow at this rate year after year, compounding over the course of the Project buildout. However, SunCal provided information of recently completed projects in Southern California that indicate significantly lower land values, which contradicts SunCal's current pro forma assumptions.

EPS reviewed comparable land sales before the market downturn. EPS also conducted residual land value analysis to estimate potential land values that could be supported by the Alameda Point development. These values are likely to fall in the $2.0 million to $5.3 million range varying by land use, assuming that land values recover to normalized pre-recession levels. EPS estimates single-family land values at about $3.6 million per acre by 2014 based on the assumptions described above.

Two recent SunCal projects in Southern California provided to the City in May 2010 support lower land values. These projects support residual land values ranging between $2.0 million and $2.5 million per acre, significantly below the $3.6 million per acre estimated by EPS. For comparison, SunCal's current pro forma assumptions for Alameda Point translate into finished land values above $5.0 million per acre for single-family uses in 2014 or $4.2 million per acre today.

Figure 3 shows the comparison of single-family land values forecasted by EPS to land values forecasted by SunCal over the buildout of the Alameda Point Project.



Revised Report

Alameda Point Public Services Analysis

The Economics of Land Use

Prepared for:

City of Alameda

Prepared by:

Economic & Planning Systems, Inc.

June 2010

EPS #14012

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CC/ARRA/CIC
Exhibit 5 to
Agenda Item #3-B
07-07-10

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List of Tables and Figures

1. INTRODUCTION AND SUMMARY OF FINDINGS

Economic & Planning Systems, Inc. (EPS) has been retained by the City of Alameda to prepare a fiscal impact analysis of the proposed development at Alameda Point, as submitted by SunCal Companies (SunCal), the master developer for the property. The purpose of the analysis is to determine whether the proposed development achieves the City's established policy of "fiscal neutrality", balancing the City's cost of providing municipal services against public revenues generated by the development project.[1]

This report describes the fiscal impacts of SunCal's proposed development (the Project) at Alameda Point. This analysis evaluates Project impacts on the City's General Fund and certain affected Special Revenue Funds. The fiscal analysis is based on the City's FY2009/10 and FY2010/11 Resource Allocation Plan. Specific revenues and expenditures that would be affected by the Project were identified and estimated.

The fiscal analysis uses an average cost approach to estimate the additional General Fund and Special Fund costs to the City of providing services to the Project, and uses standard estimating procedures to estimate new revenues. The average cost approach provides a conservative, planning-level estimate of the costs of providing City services to the Project. In certain cases, where the additional costs cannot be allocated proportionately to new development, the full incremental cost is shown. For example, when an additional engine company is required, the full cost is added in the year in which it is justified by demand.

The summary of key findings is provided below. Subsequent chapters describe key assumptions and methodology related to the project description, and estimates of costs and revenues. **Appendix A** provides detailed assumptions and calculations underlying the fiscal analysis. All costs and revenues are shown in constant 2009 dollars. Cost increases (above inflation) are included for salaries, benefits and other costs, in addition to the increases resulting from additional service demand.[2]

Summary of Findings

1. **Fiscal impacts of the Project on the General Fund may be negative in initial years of development**. The shortfalls are due to the service costs associated with a significant amount of new infrastructure and limited resources available to fund services until tax revenues are generated by new development. The shortfalls during development will be funded by the developer. Any surplus revenues that exceed costs in subsequent years, as

[1] City of Alameda Resolution No. 13643, November 5, 2003

[2] It is probable that the fiscal results will change as the project description (e.g., phasing, mix of specific unit types, public facilities) is refined during the planning process. Actual results will depend on a number of factors, including future economic cycles, State and local fiscal conditions, and decisions to be made by the City and the developer over the course of Project planning and buildout.

shown in **Tables 1a** and **1b**, will accrue to the City. Revenues decline after project buildout as sales of new development and related transfer taxes end.

2. **Various revenues dedicated to Public Works-related services are insufficient to fund costs**. **Tables 1a** and **1b** show that dedicated revenues are insufficient to fully fund costs for road-related maintenance, urban runoff and sewer service, in addition to costs for landscape maintenance. These shortfalls, which could reach nearly $5 million annually following buildout, will adversely affect Citywide maintenance services, require transfers from the General Fund, or require funding from assessments specific to Alameda Point.

3. **Various measures will help to mitigate the fiscal impacts on the City and assure that adequate services can be provided to Alameda Point without adversely affecting Citywide services**. The Project pro forma prepared by ARRA staff and consultants includes a tax assessment on residential and commercial property to fund Public Works Department's maintenance of new infrastructure constructed by the Developer at Alameda Point. At completion of buildout, this assessment or special tax currently is estimated to be approximately $890 per residential unit and $0.14 per commercial square foot annually. To the extent that these assessments during buildout are insufficient to fund required maintenance, the Developer would be required to provide the balance of the funding. It is anticipated that these assessments would be established and reviewed annually based on actual costs and the progress of development.

4. **The analysis assumes that the Project will be responsible for funding existing public services, including police, fire and public works currently serving the area, as well as service expansion such as regional transportation.** As new development occurs and demand for services increases, additional service capacity will be required. Regional transportation services will be expanded; these costs could reach $3.7 million following buildout. As noted for fiscal mitigation, regional transportation could be funded by a special tax currently estimated at $680 per unit and $0.11 per commercial square foot, in addition to the fiscal mitigation. Revenue shortfalls prior to buildout could be funded by the developer.

5. **One fire engine company is likely to be required for the area by Phase 3**. This conclusion is based on ISO standards from the ICMA report. All of Alameda Point (except the Northwest Territories) is within a 2-mile distance standard, which is the standard for a fire truck, from Station 2. Approximately half of Alameda Point falls within the 1.5 mile distance standard applied by ICMA to a fire engine, using Station 2 as the source of the engine. The balance of the development is between 1.5 and 2 miles from Station 2. Further analysis by the City will be necessary to determine the specific timing, location and manner of service provision.

Table 1a
Fiscal Impact Summary by Fund (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7
GENERAL FUND							
Revenues	$0	$0	$143,650	$1,144,518	$5,435,919	$6,182,550	$6,755,031
Expenditures	$618,567	$643,133	$643,104	$918,839	$1,566,777	$1,948,293	$2,302,490
Net	($618,567)	($643,133)	($499,454)	$225,679	$3,869,141	$4,234,257	$4,452,542
SPORTS AND RECREATION FACILITIES							
Revenues	$0	$0	$0	$244,915	$489,830	$734,745	$979,660
Expenditures	$0	$0	$0	$221,450	$442,900	$664,350	$885,800
Net	$0	$0	$0	$23,465	$46,930	$70,395	$93,860
PUBLIC WORKS							
Revenues	$0	$0	$2,271,330	$2,237,180	$2,411,475	$3,716,047	$2,705,506
Expenditures	$1,545,396	$2,060,189	$2,629,297	$3,215,145	$3,602,750	$3,938,340	$4,250,218
Net	($1,545,396)	($2,060,189)	($357,967)	($977,965)	($1,191,276)	($222,293)	($1,544,712)
LIBRARY							
Revenues	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532
Expenditures	$0	$0	$0	$0	$0	$0	$0
Net	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532

Source: Economic & Planning Systems, Inc.

Table 1a
Fiscal Impact Summary by Fund
Alameda Point Public Services

Item	8	9	10	11	12	13	14	15	Stabilized
GENERAL FUND									
Revenues	$7,882,241	$9,125,425	$10,171,840	$12,601,111	$12,158,202	$13,402,053	$13,737,226	$13,024,579	$10,401,172
Expenditures	$2,733,665	$7,702,623	$6,995,198	$7,430,675	$7,729,999	$8,164,973	$8,562,270	$8,626,877	$8,701,371
Net	$5,148,575	$1,422,801	$3,176,642	$5,170,437	$4,428,203	$5,237,080	$5,174,956	$4,397,702	$1,699,800
SPORTS AND RECREATION FACILITIES									
Revenues	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660
Expenditures	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800
Net	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860
PUBLIC WORKS									
Revenues	$3,449,188	$2,763,273	$5,379,449	$6,666,988	$6,359,502	$3,942,933	$3,542,657	$2,320,977	$2,320,977
Expenditures	$4,514,276	$4,914,223	$5,198,043	$5,498,101	$5,719,542	$6,216,707	$6,713,871	$7,211,035	$7,211,035
Net	($1,065,088)	($2,150,950)	$181,407	$1,168,887	$639,960	($2,273,774)	($3,171,214)	($4,890,058)	($4,890,058)
LIBRARY									
Revenues	$276,020	$325,807	$401,065	$459,673	$522,517	$565,299	$598,512	$598,512	$598,512
Expenditures	$0	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492
Net	$276,020	($398,685)	($323,427)	($264,819)	($201,975)	($159,193)	($125,980)	($125,980)	($125,980)

Source: Economic & Planning Systems, Inc.

Table 1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
GENERAL FUND																
Revenues																
Property Taxes	$0	$0	$0	$13,561	$62,034	$215,055	$366,429	$526,623	$663,832	$797,374	$925,519	$1,142,221	$1,311,128	$1,484,659	$1,613,458	$1,694,341
Property Transfer Tax	$0	$0	$0	$713,205	$4,519,752	$4,615,088	$4,458,199	$4,948,183	$5,615,742	$5,780,924	$7,522,192	$6,226,096	$6,902,755	$6,680,998	$5,039,310	$2,231,629
Sales Tax	$0	$0	$0	$73,936	$185,913	$246,298	$304,951	$376,780	$454,265	$593,977	$650,126	$706,254	$759,216	$804,923	$804,282	$801,845
Transient Occupancy Tax	$0	$0	$0	$0	$0	$0	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$807,563	$807,563
Utility Users Tax	$0	$0	$0	$132,555	$329,597	$438,567	$543,955	$674,122	$812,648	$1,065,519	$1,163,741	$1,267,039	$1,361,977	$1,446,466	$1,446,466	$1,446,466
Property Tax In-Lieu of VLF	$0	$0	$0	$17,744	$81,166	$281,377	$479,435	$689,033	$868,556	$1,043,283	$1,210,948	$1,494,481	$1,715,477	$1,942,526	$2,111,046	$2,216,874
Business Licenses	$0	$0	$143,650	$152,483	$155,427	$250,403	$258,476	$283,619	$283,619	$385,723	$593,140	$754,688	$754,688	$754,688	$754,688	$754,688
Franchise Fees	$0	$0	$0	$32,658	$81,204	$108,051	$134,016	$166,086	$200,215	$262,516	$286,715	$312,165	$335,555	$356,371	$356,371	$356,371
Fines & Forfeitures	$0	$0	$0	$8,375	$20,826	$27,711	$34,370	$42,594	$51,347	$67,325	$73,531	$80,058	$86,056	$91,395	$91,395	$91,395
Total Revenues	**$0**	**$0**	**$143,650**	**$1,144,518**	**$5,435,919**	**$6,182,550**	**$6,755,031**	**$7,882,241**	**$9,125,425**	**$10,171,840**	**$12,601,111**	**$12,158,202**	**$13,402,053**	**$13,737,226**	**$13,024,579**	**$10,401,172**
Expenditures																
Police	$600,000	$606,000	$612,060	$797,366	$1,340,668	$1,653,088	$1,961,693	$2,345,667	$2,841,971	$3,510,413	$3,911,634	$4,167,961	$4,489,932	$4,776,373	$4,746,517	$4,793,983
Fire (net of revenues)	$0	$0	($24,656)	($50,330)	($87,226)	($124,934)	($147,200)	($177,626)	$4,214,102	$2,712,588	$2,682,179	$2,658,510	$2,666,376	$2,676,215	$2,702,977	$2,730,007
Recreation Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	$18,567	$37,133	$55,700	$119,533	$183,367	$247,200	$273,500	$299,800	$326,100	$352,033	$377,967	$403,900	$471,600	$539,300	$607,000	$607,000
Planning and Building Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Government	$0	$0	$0	$52,270	$129,969	$172,939	$214,497	$265,825	$320,450	$420,164	$458,895	$499,629	$537,065	$570,382	$570,382	$570,382
Total Expenditures	**$618,567**	**$643,133**	**$643,104**	**$918,839**	**$1,566,777**	**$1,948,293**	**$2,302,490**	**$2,733,665**	**$7,702,623**	**$6,995,198**	**$7,430,675**	**$7,729,999**	**$8,164,973**	**$8,562,270**	**$8,626,877**	**$8,701,371**
Net Annual GF Impact	**($618,567)**	**($643,133)**	**($499,454)**	**$225,679**	**$3,869,141**	**$4,234,257**	**$4,452,542**	**$5,148,575**	**$1,422,801**	**$3,176,642**	**$5,170,437**	**$4,428,203**	**$5,237,080**	**$5,174,956**	**$4,397,702**	**$1,699,800**
SPORTS AND RECREATION FACILITIES																
BallFields																
Revenues	$0	$0	$0	$92,515	$185,030	$277,545	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060
Expenditures	$0	$0	$0	$69,050	$138,100	$207,150	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200
Net Cost	**$0**	**$0**	**$0**	**$23,465**	**$46,930**	**$70,395**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**
Aquatic Complex																
Revenues	$0	$0	$0	$152,400	$304,800	$457,200	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600
Expenditures	$0	$0	$0	$152,400	$304,800	$457,200	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600
Net Cost	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Net Annual Sports/Rec. Impact	**$0**	**$0**	**$0**	**$23,465**	**$46,930**	**$70,395**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**

Table 1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
PUBLIC WORKS																
Fund 211, Fund 212, and Fund 215																
Revenues																
Gas Tax (Fund 211)	$0	$0	$0	$15,023	$37,355	$49,705	$61,649	$76,401	$92,101	$120,760	$131,892	$143,599	$154,359	$163,935	$163,935	$163,935
XIXB Transp. Improvement (Fnd 212)	$0	$0	$0	$6,449	$16,036	$21,338	$26,465	$32,798	$39,538	$51,841	$56,620	$61,646	$66,265	$70,376	$70,376	$70,376
Cnty Measure B (Fnd 215) *O&M 36%*	$0	$0	$0	$13,142	$32,678	$43,482	$53,930	$66,835	$80,570	$105,640	$115,378	$125,620	$135,032	$0	$0	$0
Total Revenues	$0	$0	$0	$34,615	$86,069	$114,524	$142,044	$176,035	$212,209	$278,241	$303,890	$330,865	$355,656	$234,310	$234,310	$234,310
Expenditures (new infrastructure, inc. offsites)																
Road Maintenance (inc. offsite)	$144,738	$289,475	$469,899	$676,628	$793,984	$892,426	$992,115	$1,090,563	$1,222,567	$1,317,516	$1,418,259	$1,481,968	$1,607,539	$1,733,110	$1,858,682	$1,858,682
Curb and Gutters	$16,694	$33,387	$53,444	$75,396	$88,924	$100,668	$112,441	$124,096	$138,915	$149,577	$160,785	$168,503	$183,643	$198,784	$213,924	$213,924
Pedestrian/Bike Trails	$1,998	$3,997	$5,995	$12,865	$19,735	$26,606	$29,436	$32,267	$35,098	$37,889	$40,680	$43,471	$50,758	$58,044	$65,330	$65,330
Other Road Costs	$25,586	$51,172	$76,758	$93,527	$110,295	$127,063	$141,370	$155,678	$169,985	$181,220	$192,455	$203,690	$225,483	$247,276	$269,070	$269,070
PW Admin Costs	$2,774	$5,547	$8,321	$10,126	$11,930	$13,735	$15,366	$16,996	$18,627	$19,848	$21,069	$22,290	$24,696	$27,102	$29,509	$29,509
PW Ongoing Maint. Costs	$36,849	$73,698	$110,547	$134,525	$158,502	$182,480	$204,145	$225,810	$247,475	$263,695	$279,915	$296,135	$328,104	$360,073	$392,043	$392,043
Total Expenditures	$228,638	$457,277	$724,964	$1,003,066	$1,183,370	$1,342,978	$1,494,873	$1,645,410	$1,832,667	$1,969,744	$2,113,162	$2,216,055	$2,420,222	$2,624,390	$2,828,557	$2,828,557
Net Annual Impact (211, 212, 215)	($228,638)	($457,277)	($724,964)	($968,451)	($1,097,302)	($1,228,454)	($1,352,829)	($1,469,375)	($1,620,459)	($1,691,503)	($1,809,272)	($1,885,190)	($2,064,566)	($2,390,080)	($2,594,247)	($2,594,247)
Construction Improvement Tax (Fund 164)																
Revenues	$0	$0	$2,123,994	$1,925,882	$1,866,894	$2,946,711	$1,804,734	$2,370,516	$1,522,720	$3,738,668	$4,698,686	$4,104,794	$1,577,280	$1,221,680	$0	$0
Urban Runoff (Fund 351)																
Revenues																
Storm Water Utility Fee	$0	$0	$42,087	$89,719	$157,541	$222,397	$260,575	$312,174	$359,248	$475,093	$569,240	$651,673	$683,935	$712,646	$712,646	$712,646
Expenditures (new infrastructure, inc. offsites)																
Storm Drainage and Outfalls	$96,115	$192,229	$288,344	$353,653	$418,963	$484,272	$544,135	$603,997	$663,860	$708,295	$752,729	$797,164	$884,336	$971,508	$1,058,680	$1,058,680
Net Annual Impact (Runoff)	($96,115)	($192,229)	($246,257)	($263,934)	($261,422)	($261,875)	($283,560)	($291,823)	($304,612)	($233,201)	($183,489)	($145,491)	($200,401)	($258,862)	($346,034)	($346,034)
Sewer Service																
Revenues																
City Sewer Service Fees (Fnd 602)	$0	$0	$105,249	$186,965	$300,972	$432,415	$498,153	$590,463	$669,096	$887,446	$1,095,171	$1,272,170	$1,326,061	$1,374,021	$1,374,021	$1,374,021
Expenditures (new infrastructure, inc. offsites)																
Sewer Lines and Pump Stations	$149,831	$299,662	$449,492	$551,301	$653,110	$754,920	$848,238	$941,556	$1,034,875	$1,104,143	$1,173,411	$1,242,679	$1,378,569	$1,514,460	$1,650,350	$1,650,350
Net Annual Impact (Sewer)	($149,831)	($299,662)	($344,243)	($364,336)	($352,139)	($322,505)	($350,085)	($351,094)	($365,779)	($216,697)	($78,240)	$29,491	($52,508)	($140,438)	($276,329)	($276,329)
Other Expenditures																
Landscaping																
Onsite	$92,432	$184,863	$277,295	$332,583	$387,872	$443,160	$487,907	$532,653	$577,400	$615,532	$653,663	$691,795	$761,730	$831,665	$901,600	$901,600
Offsite Improvements	$38,636	$38,636	$79,307	$207,577	$233,990	$238,846	$255,476	$270,691	$324,150	$359,753	$401,961	$401,961	$401,961	$401,961	$401,961	$401,961
Total Expenditures	$131,068	$223,499	$356,602	$540,160	$621,862	$682,006	$743,383	$803,344	$901,550	$975,285	$1,055,624	$1,093,756	$1,163,691	$1,233,626	$1,303,561	$1,303,561
Existing Infrastructure																
Total Expenditures	$939,745	$887,523	$809,895	$766,965	$725,446	$674,164	$619,590	$519,968	$481,272	$440,576	$403,174	$369,888	$369,888	$369,888	$369,888	$369,888
Net Annual Impact (Other)	($1,070,813)	($1,111,022)	($1,166,497)	($1,307,125)	($1,347,307)	($1,356,171)	($1,362,973)	($1,323,312)	($1,382,821)	($1,415,861)	($1,458,798)	($1,463,644)	($1,533,579)	($1,603,514)	($1,673,449)	($1,673,449)
TOTAL, Public Works	($1,545,396)	($2,060,189)	($357,967)	($977,965)	($1,191,276)	($222,293)	($1,544,712)	($1,065,088)	($2,150,950)	$181,407	$1,168,887	$639,960	($2,273,774)	($3,171,214)	($4,890,058)	($4,890,058)

Table 1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
LIBRARY																
Library Revenues (Fund 210)																
Taxes	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532	$276,020	$325,807	$401,065	$459,673	$522,517	$565,299	$598,512	$598,512	$598,512
User Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$8,009**	**$61,399**	**$113,267**	**$168,973**	**$217,532**	**$276,020**	**$325,807**	**$401,065**	**$459,673**	**$522,517**	**$565,299**	**$598,512**	**$598,512**	**$598,512**
Expenditures																
Expenditures	$0	$0	$0	$0	$0	$0	$0	$0	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**
Net Annual Library Impact	**$0**	**$0**	**$8,009**	**$61,399**	**$113,267**	**$168,973**	**$217,532**	**$276,020**	**($398,685)**	**($323,427)**	**($264,819)**	**($201,975)**	**($159,193)**	**($125,980)**	**($125,980)**	**($125,980)**

Source: Economic & Planning Systems, Inc.

2. PROJECT DESCRIPTION

SunCal's proposed development at Alameda Point will include a mix of residential and commercial uses. The development plan proposes 4,845 total residential units, over 4 million commercial square feet, and 70 acres of parks at buildout.[3] The 70 acres of open space does not include the 51-acre proposed Sports Complex, evaluated separately from Parks/Open Space.

Of the total residential units, 25 percent are affordable (including Collaborative units). Residential units (market-rate and affordable) range in size from approximately 800 to 2,500 square feet. Commercial development will consist of both retail and office uses. Additional adaptive reuse and commercial activity is planned for certain historic structures.

The proposed development is expected to occur in five phases. For purposes of the fiscal impact analysis, EPS assumes that the first phase starts in 2011. The Project is expected to be complete by 2024.

[3] Not including Enterprise Park (24 acres).

3. EXPENDITURES

Fire Department

Current Staffing and Facilities

Citywide, the Fire Department operates four fire stations and is also responsible for water rescue calls. [4] Emergency Medical Services (EMS) are provided by the City from Station 2, located on Pacific Avenue at Webster Street. A fifth station, Station 5, was located at Alameda Point, but was recently closed because of its low level of activity. Currently Station 2 is the nearest station to Alameda Point. The 2009/10 operating budget for the City's Fire Department is $23,166,820.

Service Standards

Based on a report on fire/ EMS operations conducted by ICMA Consulting Services, the Insurance Standards Association (ISO) recommends a fire station with an engine company be located every 1.5 miles and a station with a ladder every two miles. This service standard will help to determine whether or not a new station is required at Alameda Point.

Project Impacts

Based on ISO standards from the ICMA report, all of Alameda Point (except the Northwest Territories) is within a 2-mile distance standard, which is the standard for a fire truck, from Station 2. Approximately half of Alameda Point falls within the 1.5-mile distance standard applied by ICMA to a fire engine, using Station 2 as the source of the engine.

This analysis assumes that fire service (an engine and an ambulance) will need to be located at Alameda Point before development of Phase 3, which is largely outside of the 1.5-mile standard for a fire engine from Station 2. Phase 3 occurs approximately midway through buildout (e.g., by about 2019). The staffing for Station 5 is assumed to be five firefighters per shift: two on an ambulance and three on an engine. This level of staffing is consistent with the ICMA recommendations for Station 5 had it not been closed, with the exclusion of a captain recommended by ICMA. The staffing is similar to the current staffing of Station 4 which serves Bay Farm Island, an area with a population similar to Alameda Point buildout and a significant commercial/industrial business park. The cost per firefighter is assumed to increase by inflation plus 1 percent annually.

Estimated calls for service when fire service is added equal about 1,100 calls for service annually (including about 460 calls for service reported from Station 5 during 2008). This number of calls is greater than the 600 to 800 calls to which the Bay Farm Island Station 4 responds; the area, population and commercial base is generally comparable.

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[4] EPS interview with Michael Fisher and David Kapler, Fire Chief, of the Alameda Fire Department in January 2008.

The specific timing, staffing and equipment will need to be determined through more detailed analysis, including whether the existing facility should be expanded, relocated, or consolidated with a new multifunction station.

Police

Current Staffing and Facilities

The City of Alameda Police Department operates one police station, which is located on Oak Street between Lincoln Avenue and Times Way.[5] The City of Alameda is divided into five police service area sectors and 25 beats. The police service area sectors are shown on **Figure 1**. Sectors 2 and 3 are the busiest. Alameda Point is located within Sector 5. Sector 5 is patrolled by one beat which is staffed by one patrol officer per shift, amounting to a need for five patrol officers so that the beat can be patrolled 24 hours per day, 7 days per week. Busier sectors staff approximately three beats, resulting in a need for approximately 15 officers to patrol the sector 24/7. Each officer works four ten-hour days per week.

The Police Department currently employs 99 sworn police officers (1.31 sworn officers per 1,000 residents). The Department staffs one officer per vehicle, and the average life span of a vehicle is four years or 85,000 miles—ideally three years.

According to a report on police operations conducted by ICMA Consulting Services, between July 2007 and June 2008 the Alameda Police Department responded to 52,200 calls for service, of which 48,100 included a patrol unit as either the primary responder or a secondary unit.

Service Standards

Response times vary depending upon the urgency of the call. Priority One calls have an average response time of 5.4 minutes, while Priority Four calls have an average response time of 29.8 minutes.[6]

Project Impacts

This analysis assumes that the Project will be responsible for the existing police protection services provided by Sector 5 in addition to additional costs as new development occurs. Increases in police service costs are estimated using the citywide average number of sworn officers per 1,000 population.

Additionally, the Project will be responsible for providing police protection services for the Collaborative units, which is estimated to be an annual cost based on service calls to existing Collaborative residential units.

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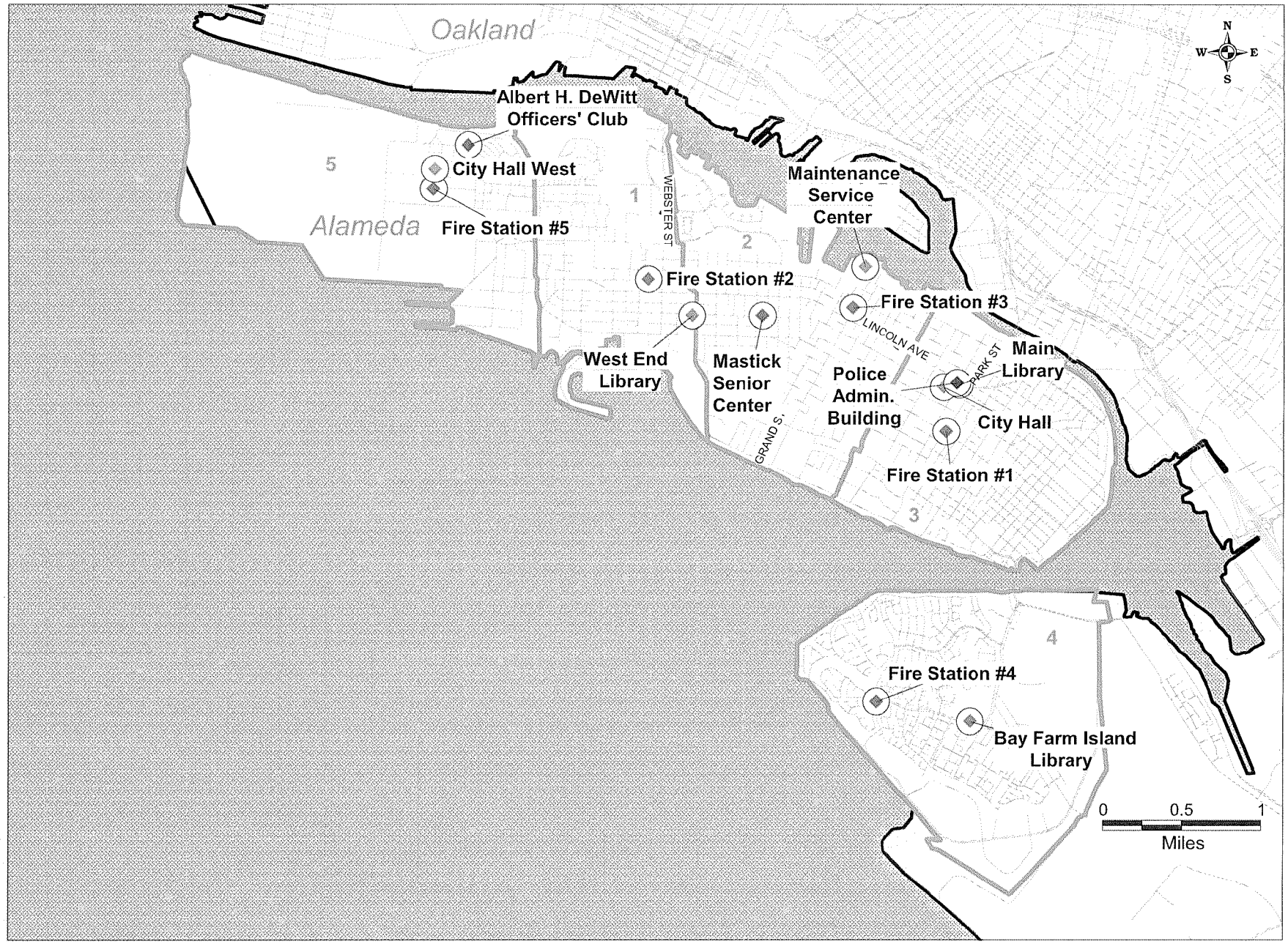
[5] EPS interview with Walter Tibbet, Police Chief; Craig Ojala, Captain; and Michael Noonan, Lieutenant in January 2008.

[6] Data and Operational Analysis Report, Alameda, CA Police Operations, ICMA, 2009.

Figure 1
Alameda Police Service Area Sectors and Points of Interest



The analysis indicates that approximately fifteen additional officers, or a total of three beats, will be required to serve new development, assuming an average cost of $245,000 per officer. The cost per officer includes equipment replacement and is assumed to increase by inflation plus 1 percent annually. In addition to the three beats required to serve new development, an additional one to two beats may be required depending on the type, amount, and timing of commercial development. Retail development typically requires a higher ratio of officers. Depending on the amount of retail development there may be need for additional officer(s) beyond the fourteen required to serve new development. The potential costs of these additional officers are not included in the analysis because of the uncertainty of commercial absorption.

Library

Current Staffing and Facilities

The City's existing library facilities include the 47,500-square foot Main Library (opened in 2006), the West End Branch (3,400 square feet), and the Bay Farm Island branch (2,688 square feet).[7] There are approximately 224,000 volumes in the library's collection, and approximately 483,000 volumes are borrowed each year. The West End branch is the closest branch to Alameda Point, but transportation options to and from Alameda Point are currently limited.

The West End Branch primarily serves residents in the western portion of the City, which is defined as all census tracts west of Constitution Way and Eighth Streets. As of July 1, 2008, the West End Branch is open noon to 8:00 p.m. on Mondays, 10:00 a.m. to 6:00 p.m. on Tuesdays, Wednesdays, and Thursdays, and 10:00 a.m. to 5:00 p.m. on Saturdays. It is closed on Fridays and Sundays. The West End Branch staffs a librarian, a technician, and an aide.

The most recent strategic plan was approved in August 2008. The Library Board recently initiated a master planning effort for branch improvements. The Strategic Plan outlines branch improvements.

Project Impacts

Based on the Strategic Plan, the Library Department recommends a new 15,000-square foot library to serve the new development and the West End, as a whole, before closing the existing West End Branch. The new library could be located in currently proposed commercial or mixed-use space. According to the Library Department, the new library will be open for seven hours a day, six days a week. Staffing will consist of one senior librarian, three librarians, and three library technicians. Other costs include collections, utilities, and supplies. The total operating cost for the new facility will be approximately $724,500 per year. This cost is partially offset by the special tax received by the Alameda Free Library Fund (Fund 210 is described in **Chapter 4**). It is assumed that the new library will be built in Phase 3.

[7] EPS interview with Jane Chisaki, the Library Director, in January 2008.

Public Works

Current Staffing and Facilities

The City of Alameda's Public Works Department (PWD) employs 74 FTE and has a 2009/2010 operating budget of $29.5 million.[8] The PWD is responsible for the maintenance of 138 miles of streets (measured in centerline miles), 10 miles of bike lanes, 77 traffic signals, 160 miles of sanitary sewers, and 41 miles of storm sewers.[9] Of the 138 miles of streets, there are 16 miles at the Alameda Naval Base, 35 miles of collector streets, and 87 miles of residential streets.

On average, Alameda's roadways have a Pavement Condition Index (PCI) of 61 (out of 100). The average PCI of the roadways at the Alameda Naval Base is 52, somewhat lower than the City's average. After major storm events, the PWD also repairs the public piers.

At Alameda Point, the PWD is responsible for maintaining City Hall West, the Mini Corporation Yard (Building #6), the O'Club, and two storage facilities (Building #397 and the first floor of Wing 1 of Building #2). Elsewhere in the City, the PWD maintains the City's four fire stations, the Fire Department's Headquarters facility, the Police Department, City Hall, the City's libraries, the Mastick Senior Center, and all of the City's Parks and Recreation facilities. The PWD is also responsible for City-wide fleet maintenance.

The PWD is partially funded through non-General Fund dedicated revenue sources, including the gas tax, the Measure B sales tax, construction tax, dwelling unit tax, sewer fees, and storm drainage fees, described more fully in **Chapter 4**.

Project Impacts

According to the development program the proposed development will include approximately 63,500 linear feet of roads with varying widths.[10] Given the amount of roads and the corresponding widths, there are approximately 2.2 million square feet of road. New infrastructure maintenance costs are estimated by applying "per square foot" or "per linear foot" costs to the estimated square feet or linear feet of road. Maintenance costs for new infrastructure are phased in as residential and commercial development occurs at Alameda Point. The analysis assumes a schedule of slurry sealing roads every 5 years, with major reconstruction after 20 years. These costs are amortized over a 20-year period, resulting in an average annual expenditure of $0.65 per square foot. Other infrastructure costs include curbs, sidewalks, signs, striping, traffic signals, street lights, in-pavement lights, pedestrian/bike trails maintenance, and landscape maintenance.

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[8] City of Alameda Resource Allocation Plan Fiscal Year 2009-2010 Annual Budget and Fiscal Year 2010-2011 Budget Forecast

[9] EPS interview with Matt Naclerio, Public Works Director; and Marge McLean in January 2008.

[10] Excludes 215 acres in the Northwest Territory. Any roads in this area are assumed to be private.

In addition to the new infrastructure requirements, the Project will be responsible for some existing infrastructure that is presently maintained by the City and currently paid for by base revenues. These include City direct costs, existing utilities for City maintained buildings, and maintenance of City-occupied buildings for Alameda Point. There are a number of buildings in Alameda Point that are occupied and maintained by the City, such as the Officers Club and City Hall West. As the Project develops, the maintenance of the grounds associated with the buildings will become the responsibility of the Project, and is included in the analysis. Existing infrastructure maintenance costs are generally assumed to phase out as new infrastructure is installed at Alameda Point. It is possible that some portion of the street and/or curb and landscaping will be maintained by homeowners associations.

Based on the estimated service requirements of Alameda Point, it will be necessary to evaluate the capacity of the current City corporation yard serving the area and determine additional improvements, if any, that will be required. The City recommends a three-acre corporation yard. As of November 2009 the exact location of the corporation yard has not been identified. Further analysis is required to determine the costs associated with the corporation yard. Additionally, there are a number of off-site roadway improvements that may require both street and landscaping maintenance. These projects include 490,450 square feet of streets, 363,325 square feet of landscape/ sidewalk areas, and 25,040 linear feet of curbs and gutters. EPS estimates that the cost of maintaining these areas is approximately $751,000 annually at buildout, which is included in the fiscal analysis.[11]

Also included in the fiscal analysis are Project impacts on the PWD non-General Fund dedicated revenue sources. Costs associated with Urban Runoff Fund (described in **Chapter 4**), which is responsible for storm drain maintenance, will increase as new infrastructure is installed at Alameda Point. Currently the City spends approximately $6.8 million to perform drainage maintenance, street sweeping, and on-going capital repair on 41 miles of street, resulting in an average cost of $165,850 per road mile.

Sewer service costs (Fund 602 described in **Chapter 4**) will also increase as new infrastructure is installed at Alameda Point. Currently the City spends approximately $10.6 million to perform sewer maintenance and on-going capital repair on 85 miles of street, resulting in an average cost of $124,710 per road mile.

Parks and Recreation

Current Staffing and Facilities

The Recreation and Parks Department maintains approximately 236 acres of park space and operates 102 youth programs, serving nearly 24,000 youth, and 96 senior programs, serving nearly 167,000 seniors.[12]

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[11] Assumes street maintenance costs of $0.65 per square foot, landscaping maintenance costs of $1.00 per square foot, and curb and gutter maintenance costs of $1.20 per square foot.

[12] EPS interview with Dale Lillard, the Parks and Recreation Director, in January 2008.

At Alameda Point, the Recreation and Parks Department currently operates a 58,000-square foot Gym, the Officer's Club and the multi-use athletic field adjacent to the Gym. The Gym, which is the only gym site in the City's inventory of recreational facilities, provides a venue for a wide variety of both youth and adult sports and fitness-related activities. The former Officer's Club serves as a banquet and conference site for a large number of private rentals and community events. It also houses a number of special interest classes and special events annually. Each of these sites operates on a cost recovery basis with no funding provided by the City's General Fund. The current annual budget for the Gym is $65,000 and the annual budget for the Officer's Club is $50,000. Because of the nature of the programs the number of staff assigned to the facilities can vary depending on the number and type of programming offered.

The existing four-acre multi-use athletic field provides turf space for soccer and baseball. The site is used by a number of nonprofit community groups as well as the Alameda Unified School District, although the site is exclusively maintained by City staff. Since both the Gym and Officer's Club operate on a cost recovery basis, they each have the potential to expand their offerings. While each facility is frequently booked, especially during the evening hours of their respective peak seasons, they do have capacity to hold more events.[13] The introduction of any additional park sites or facilities would be funded partially through cost recovery, but they also would need to include a funding source for on-going maintenance and operations.

The Alameda Recreation and Park Department (ARPD) also maintains public bike paths and hiking trails that are located within City parks. Otherwise, bike paths and hiking trails are maintained by PWD. Additionally, the City owns two boat ramps that are considered park space. The City has a share agreement with the school district with respect to swimming pools. The City's share is 40 percent and the School District's share is 60 percent. Two other pools in the City are leased to nonprofit operators.

The Park Division currently maintains 155 acres of athletic fields, courts, boat ramps, two pools and a historical museum. The average cost per acre is approximately $10,000.[14] However, this estimate is subject to great variation depending on the individual site. For instance it is much more expensive to maintain athletic fields than tennis or basketball courts. On average, Recreation Programs recover close to 100 percent of their costs, or 40 percent of the entire Recreation Division budget.

Project Impacts

SunCal's proposed development at Alameda Point includes 61 acres of parks. Assuming all acres of parks are under the purview of the ARPD, park expenditure estimates are based on the average cost per acre of $10,000. Since recreation programs recover nearly 100 percent of their costs, no Project expenditures are estimated for recreation programs.

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[13] The Gym's peak season coincides with the basketball season, which runs approximately November to March. The Officer's Club's peak season is late spring, summer, and early fall.

[14] Based on EPS interview with Dale Lillard in November 2009.

Sports Complex

The proposed Sports Complex will occupy approximately 51 acres and may include a renovated gymnasium with indoor basketball, a multi-use building, sports fields, tennis courts, an aquatic center, sand volleyball, play areas for younger children, and a BMX/mountain biking area. The proposed Sports Complex is expected to be funded by the development at Alameda Point.

The aquatics center is assumed to be an indoor facility with one 50-meter by 25-yard pool, a 25-meter by 25-yard pool, water play area, restrooms, and concession area. The aquatics center staff will be employees of an outside vendor operating the facility on a contractual basis. Staff is assumed to include one full-time coordinator and one full-time maintenance/custodian. Other costs include management fees, materials and supplies, contractual services, and utilities. The estimated cost is $609,600 annually. However, revenues from fees and charges (e.g., swim lessons, recreation swim, rentals, concessions, etc.) are expected to fully offset operating costs.

The sports fields are assumed to include six soccer fields and four softball fields with all weather turf. Staffing is assumed to consist of one full-time and one part-time staff person. Other costs include utilities, equipment supplies, contractual services, and tools. The estimated cost is $276,200 annually. Revenues are expected to be generated from user fees, tournament rentals, and concessions. Annual revenues generated by the sports fields are estimated to exceed operating costs.

General Government

General government expenses include operation and maintenance costs for the City Council, City Attorney, City Clerk, City Manager, Finance, and Human Services. The 2009/10 operating budget for general government is $10,937,500.[15] It is assumed that the costs of these programs will increase 33 percent relative to the increase in City population.

The City currently maintains $3.15 million in risk management and workers' compensation loss reserves to provide excess coverage to meet potential costs of covered claims and losses. The amounts are determined annually by an actuarial firm. It is assumed that 5 percent of the reserve amounts will increase as the number of City residents increases.

Project Impacts

General government expenditures are estimated on a per-unit basis.

Planning and Building Services

Planning and Building Services are fully funded by fees; therefore, the Project has no fiscal impact on the cost of these services.

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[15] Excludes $3.15 million in risk management and workers' compensation loss reserves, which are part of the City Attorney budget.

4. REVENUES

Property Tax

Property tax equal to 1 percent of assessed value will be generated by the Project. Alameda Point is in a redevelopment area. Property tax growth, less pass-throughs and funds set aside for affordable housing purposes, is retained by the Redevelopment Agency for funding of capital improvements. However, the City receives 26.5 percent of the initial tier of pass-throughs, which are 20 percent of the 1 percent property tax, for General Fund purposes.

As noted above, the Redevelopment Agency will receive the growth in the 1 percent property tax generated by increases in assessed value due to the Project, less 20 percent for pass-throughs to other taxing entities. 20 percent is required by law to be used for affordable housing purposes in the City; the balance is available to fund capital improvements which alleviate "blight" in the redevelopment project area and enable development to occur which would otherwise not be feasible but for the use of tax increment. These redevelopment revenues have been programmed into the Alameda Project Pro Forma, however, the amount and use of these funds is a policy decision that remains to be negotiated with the Developer. If the Redevelopment Agency chooses not to use tax increment for redevelopment purposes, that revenue would flow to the taxing entities that would otherwise share in property tax revenues; however, without property tax increment funding of Alameda Point capital improvements, development of Alameda Point may not be feasible.

Transient Occupancy Tax (TOT)

The City collects a 10 percent tax on hotel and motel room revenues. While not explicitly programmed in the SunCal Project Pro Forma, the development entitlements would allow for the construction of a hotel, as well as the use of historic structures for "hostel" type accommodations. The fiscal analysis includes potential TOT revenues from 150 hostel rooms that would serve visitors to the Sports Complex tournaments and events. The analysis also includes a 150-room hotel, which is assumed constructed at the end of the development period. The success of a new hotel will depend on development of substantially all of the proposed commercial property to support financially viable occupancy rates. The entitlements do not require development of a hotel.

Sales Tax

Sales tax of 1 percent goes to the City. The estimates from the Project are based on a Citywide average per resident. The analysis assumes that the new retail at Alameda Point will largely be supported by, and serve, the new residents. To the extent that the area attracts a significant visitor base, sales tax revenues could be greater than shown.

Utility Users Tax

Utility users' tax is 7.5 percent of utility bills for utility users (residential and/or commercial) within the City. Water service is excluded from the tax. The estimates from the Project are based on Citywide averages per resident.

Alameda Power and Telecom

No increase in revenue from this source is expected as a result of new development. The transfers of Alameda Power and Telecom funds to the General Fund are based on a cost allocation calculation which is not affected by the amount of gross revenues.

Property Tax In-Lieu of Vehicle License Fees

Recent changes in the State budget converted a significant portion of Motor Vehicle License Fee subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth within each entity. The estimates of the amount generated by the Project are based on the Project's proportionate contributions to Citywide assessed value growth.

Business Licenses

This is an annual tax levied upon all businesses operating within the City. The estimates from the Project are based on Citywide average per employee.

Franchise Fees

Franchise fees are received by the City from utility providers serving the community. The estimates from the Project are based on Citywide average per resident.

Fines and Forfeitures

Revenue from fines and fees are received by the City from parking code violations, planning appeal fees, and animal control enforcement. The estimates from the Project are based on Citywide averages per resident.

Real Property Transfer Tax

The City receives a property transfer tax of $12.00 per $1,000 of transferred value upon sale of property. The City will receive the tax upon sale of the newly developed units, as well as the resale of built units. It is assumed that in any given year, an average of 4.7 percent of the built residential development will be resold and generate transfer tax. The existing City turnover rate is about 4.7 percent.

Approximately 20 percent of new commercial development is assumed to be subject to transfer tax; the balance is assumed to be "build to suit" for owner/occupants, for example as part of a

campus development for a single large user. Additionally, it is assumed that in any given year, an average of 5 percent of the built commercial development will be resold and generate transfer tax.

After the Project is built out, these revenues will decline since there will no longer be substantial taxes generated by the sale of new development. Transfer tax revenues could differ to the extent that turnover rates exceed Citywide averages, or economic cycles reduce sales activity.

Construction Improvement Tax (Fund 164)

The City receives a 1 percent tax on new construction for capital improvement projects and Public Works annual maintenance. Although the funds can be used for general purposes,[16] historically these funds have been used to fund maintenance of streets, sidewalks, park facilities, street tree pruning, etc. The fiscal analysis includes the CIT as a revenue offsetting public works costs to maintain Alameda Point infrastructure constructed by the Developer.

Alameda Free Library (Fund 210)

The fund receives a special tax of $0.0175 per $100 in assessed value to support operation of the City's branch library system, including staff, collections, and facility maintenance.

Gas Tax (Fund 211)

The City is allocated a portion of gas tax revenue for the design and engineering activities related to street improvements. The estimates from the Project are based on Citywide average per resident.

XIXB Transportation Improvement (Fund 212)

The fund accounts for revenues from State Proposition 42 (gasoline sales tax) and are used to fund capital projects under the Traffic Congestion Relief Act. The estimates from the Project are based on Citywide average per resident.

County Measure B (Fund 215)

The City receives a share of the proceeds of a one-half cent sales tax increase approved by voters in November 2000, administered by the Alameda County Transportation Improvement Authority (ACTIA). Measure B funds are used for capital projects, such as resurfacing, sidewalks, and traffic signal upgrades. Funds are also used to maintain street infrastructure (e.g., pothole patching, controller replacement, signal pole painting, etc.).

The City's share of Measure B funds is based on a combination of population and road miles. The estimates from the Project are based on Citywide average per resident.

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[16] Alameda Municipal Code 3-62

Urban Runoff (Fund 351)

The Urban Runoff Fund accounts for revenues from the Storm Water Fee used for expenditures associated with the City's Clean Water Program, which is designed to mitigate the effects of pollution entering the City's storm water system. The City currently uses the funds to perform drainage maintenance and street sweeping, as well as ongoing capital repair.

The Fee is based on the amount of pollution that the City estimates enters the municipal storm water system as a result of the installation or maintenance of impervious surfaces. The current Storm Water Fee is $56.15 per Equivalent Residential Unit (ERU).

Sewer Service (Fund 602)

The fund accounts for revenues and expenditures related to the operation of the municipal sewer system including operations, maintenance, capital financing, debt service, billing, and collections. Revenues are generated from Sewer Service Fees, which are currently $178.95 per Equivalent Dwelling Unit (EDU).

APPENDIX A

Fiscal Impact Model

Table of Contents
Fiscal Impact Analysis
Alameda Point Public Services Analysis; EPS # 14012

Table A-1a
Fiscal Impact Summary by Fund (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7
GENERAL FUND							
Revenues	$0	$0	$143,650	$1,144,518	$5,435,919	$6,182,550	$6,755,031
Expenditures	$618,567	$643,133	$643,104	$918,839	$1,566,777	$1,948,293	$2,302,490
Net	($618,567)	($643,133)	($499,454)	$225,679	$3,869,141	$4,234,257	$4,452,542
SPORTS AND RECREATION FACILITIES							
Revenues	$0	$0	$0	$244,915	$489,830	$734,745	$979,660
Expenditures	$0	$0	$0	$221,450	$442,900	$664,350	$885,800
Net	$0	$0	$0	$23,465	$46,930	$70,395	$93,860
PUBLIC WORKS							
Revenues	$0	$0	$2,271,330	$2,237,180	$2,411,475	$3,716,047	$2,705,506
Expenditures	$1,545,396	$2,060,189	$2,629,297	$3,215,145	$3,602,750	$3,938,340	$4,250,218
Net	($1,545,396)	($2,060,189)	($357,967)	($977,965)	($1,191,276)	($222,293)	($1,544,712)
LIBRARY							
Revenues	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532
Expenditures	$0	$0	$0	$0	$0	$0	$0
Net	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532

Source: Economic & Planning Systems, Inc.

Table A-1a
Fiscal Impact Summary by Fund
Alameda Point Public Services

Item	8	9	10	11	12	13	14	15	Stabilized
GENERAL FUND									
Revenues	$7,882,241	$9,125,425	$10,171,840	$12,601,111	$12,158,202	$13,402,053	$13,737,226	$13,024,579	$10,401,172
Expenditures	$2,733,665	$7,702,623	$6,995,198	$7,430,675	$7,729,999	$8,164,973	$8,562,270	$8,626,877	$8,701,371
Net	$5,148,575	$1,422,801	$3,176,642	$5,170,437	$4,428,203	$5,237,080	$5,174,956	$4,397,702	$1,699,800
SPORTS AND RECREATION FACILITIES									
Revenues	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660	$979,660
Expenditures	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800
Net	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860	$93,860
PUBLIC WORKS									
Revenues	$3,449,188	$2,763,273	$5,379,449	$6,666,988	$6,359,502	$3,942,933	$3,542,657	$2,320,977	$2,320,977
Expenditures	$4,514,276	$4,914,223	$5,198,043	$5,498,101	$5,719,542	$6,216,707	$6,713,871	$7,211,035	$7,211,035
Net	($1,065,088)	($2,150,950)	$181,407	$1,168,887	$639,960	($2,273,774)	($3,171,214)	($4,890,058)	($4,890,058)
LIBRARY									
Revenues	$276,020	$325,807	$401,065	$459,673	$522,517	$565,299	$598,512	$598,512	$598,512
Expenditures	$0	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492
Net	$276,020	($398,685)	($323,427)	($264,819)	($201,975)	($159,193)	($125,980)	($125,980)	($125,980)

Source: Economic & Planning Systems, Inc.

Table A-1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
GENERAL FUND																
Revenues																
Property Taxes	$0	$0	$0	$13,561	$62,034	$215,055	$366,429	$526,623	$663,832	$797,374	$925,519	$1,142,221	$1,311,128	$1,484,659	$1,613,458	$1,694,341
Property Transfer Tax	$0	$0	$0	$713,205	$4,519,752	$4,615,088	$4,458,199	$4,948,183	$5,615,742	$5,780,924	$7,522,192	$6,226,096	$6,902,755	$6,680,998	$5,039,310	$2,231,629
Sales Tax	$0	$0	$0	$73,936	$185,913	$246,298	$304,951	$376,780	$454,265	$593,977	$650,126	$706,254	$759,216	$804,923	$804,282	$801,845
Transient Occupancy Tax	$0	$0	$0	$0	$0	$0	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$175,200	$807,563	$807,563
Utility Users Tax	$0	$0	$0	$132,555	$329,597	$438,567	$543,955	$674,122	$812,648	$1,065,519	$1,163,741	$1,267,039	$1,361,977	$1,446,466	$1,446,466	$1,446,466
Property Tax In-Lieu of VLF	$0	$0	$0	$17,744	$81,166	$281,377	$479,435	$689,033	$868,556	$1,043,283	$1,210,948	$1,494,481	$1,715,477	$1,942,526	$2,111,046	$2,216,874
Business Licenses	$0	$0	$143,650	$152,483	$155,427	$250,403	$258,476	$283,619	$283,619	$385,723	$593,140	$754,688	$754,688	$754,688	$754,688	$754,688
Franchise Fees	$0	$0	$0	$32,658	$81,204	$108,051	$134,016	$166,086	$200,215	$262,516	$286,715	$312,165	$335,555	$356,371	$356,371	$356,371
Fines & Forfeitures	$0	$0	$0	$8,375	$20,826	$27,711	$34,370	$42,594	$51,347	$67,325	$73,531	$80,058	$86,056	$91,395	$91,395	$91,395
Total Revenues	**$0**	**$0**	**$143,650**	**$1,144,518**	**$5,435,919**	**$6,182,550**	**$6,755,031**	**$7,882,241**	**$9,125,425**	**$10,171,840**	**$12,601,111**	**$12,158,202**	**$13,402,053**	**$13,737,226**	**$13,024,579**	**$10,401,172**
Expenditures																
Police	$600,000	$606,000	$612,060	$797,366	$1,340,668	$1,653,088	$1,961,693	$2,345,667	$2,841,971	$3,510,413	$3,911,634	$4,167,961	$4,489,932	$4,776,373	$4,746,517	$4,793,983
Fire (net of revenues)	$0	$0	($24,656)	($50,330)	($87,226)	($124,934)	($147,200)	($177,626)	$4,214,102	$2,712,588	$2,682,179	$2,658,510	$2,666,376	$2,676,215	$2,702,977	$2,730,007
Recreation Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	$18,567	$37,133	$55,700	$119,533	$183,367	$247,200	$273,500	$299,800	$326,100	$352,033	$377,967	$403,900	$471,600	$539,300	$607,000	$607,000
Planning and Building Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Government	$0	$0	$0	$52,270	$129,969	$172,939	$214,497	$265,825	$320,450	$420,164	$458,895	$499,629	$537,065	$570,382	$570,382	$570,382
Total Expenditures	**$618,567**	**$643,133**	**$643,104**	**$918,839**	**$1,566,777**	**$1,948,293**	**$2,302,490**	**$2,733,665**	**$7,702,623**	**$6,995,198**	**$7,430,675**	**$7,729,999**	**$8,164,973**	**$8,562,270**	**$8,626,877**	**$8,701,371**
Net Annual GF Impact	**($618,567)**	**($643,133)**	**($499,454)**	**$225,679**	**$3,869,141**	**$4,234,257**	**$4,452,542**	**$5,148,575**	**$1,422,801**	**$3,176,642**	**$5,170,437**	**$4,428,203**	**$5,237,080**	**$5,174,956**	**$4,397,702**	**$1,699,800**
SPORTS AND RECREATION FACILITIES																
BallFields																
Revenues	$0	$0	$0	$92,515	$185,030	$277,545	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060	$370,060
Expenditures	$0	$0	$0	$69,050	$138,100	$207,150	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200
Net Cost	**$0**	**$0**	**$0**	**$23,465**	**$46,930**	**$70,395**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**
Aquatic Complex																
Revenues	$0	$0	$0	$152,400	$304,800	$457,200	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600
Expenditures	$0	$0	$0	$152,400	$304,800	$457,200	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600
Net Cost	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Net Annual Sports/Rec. Impact	**$0**	**$0**	**$0**	**$23,465**	**$46,930**	**$70,395**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**	**$93,860**

Table A-1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
PUBLIC WORKS																
Fund 211, Fund 212, and Fund 215																
Revenues																
Gas Tax (Fund 211)	$0	$0	$0	$15,023	$37,355	$49,705	$61,649	$76,401	$92,101	$120,760	$131,892	$143,599	$154,359	$163,935	$163,935	$163,935
XIXB Transp. Improvement (Fnd 212)	$0	$0	$0	$6,449	$16,036	$21,338	$26,465	$32,798	$39,538	$51,841	$56,620	$61,646	$66,265	$70,376	$70,376	$70,376
Cnty Measure B (Fnd 215) O&M 36%	$0	$0	$0	$13,142	$32,678	$43,482	$53,930	$66,835	$80,570	$105,640	$115,378	$125,620	$135,032	$0	$0	$0
Total Revenues	$0	$0	$0	$34,615	$86,069	$114,524	$142,044	$176,035	$212,209	$278,241	$303,890	$330,865	$355,656	$234,310	$234,310	$234,310
Expenditures (new infrastructure, inc. offsites)																
Road Maintenance (inc. offsite)	$144,738	$289,475	$469,899	$676,628	$793,984	$892,426	$992,115	$1,090,563	$1,222,567	$1,317,516	$1,418,259	$1,481,968	$1,607,539	$1,733,110	$1,858,682	$1,858,682
Curb and Gutters	$16,694	$33,387	$53,444	$75,396	$88,924	$100,668	$112,441	$124,096	$138,915	$149,577	$160,785	$168,503	$183,643	$198,784	$213,924	$213,924
Pedestrian/Bike Trails	$1,998	$3,997	$5,995	$12,865	$19,735	$26,606	$29,436	$32,267	$35,098	$37,889	$40,680	$43,471	$50,758	$58,044	$65,330	$65,330
Other Road Costs	$25,586	$51,172	$76,758	$93,527	$110,295	$127,063	$141,370	$155,678	$169,985	$181,220	$192,455	$203,690	$225,483	$247,276	$269,070	$269,070
PW Admin Costs	$2,774	$5,547	$8,321	$10,126	$11,930	$13,735	$15,366	$16,996	$18,627	$19,848	$21,069	$22,290	$24,696	$27,102	$29,509	$29,509
PW Ongoing Maint. Costs	$36,849	$73,698	$110,547	$134,525	$158,502	$182,480	$204,145	$225,810	$247,475	$263,695	$279,915	$296,135	$328,104	$360,073	$392,043	$392,043
Total Expenditures	$228,638	$457,277	$724,964	$1,003,066	$1,183,370	$1,342,978	$1,494,873	$1,645,410	$1,832,667	$1,969,744	$2,113,162	$2,216,055	$2,420,222	$2,624,390	$2,828,557	$2,828,557
Net Annual Impact (211, 212, 215)	($228,638)	($457,277)	($724,964)	($968,451)	($1,097,302)	($1,228,454)	($1,352,829)	($1,469,375)	($1,620,459)	($1,691,503)	($1,809,272)	($1,885,190)	($2,064,566)	($2,390,080)	($2,594,247)	($2,594,247)
Construction Improvement Tax (Fund 164)																
Revenues	$0	$0	$2,123,994	$1,925,882	$1,866,894	$2,946,711	$1,804,734	$2,370,516	$1,522,720	$3,738,668	$4,698,686	$4,104,794	$1,577,280	$1,221,680	$0	$0
Urban Runoff (Fund 351)																
Revenues																
Storm Water Utility Fee	$0	$0	$42,087	$89,719	$157,541	$222,397	$260,575	$312,174	$359,248	$475,093	$569,240	$651,673	$683,935	$712,646	$712,646	$712,646
Expenditures (new infrastructure, inc. offsites)																
Storm Drainage and Outfalls	$96,115	$192,229	$288,344	$353,653	$418,963	$484,272	$544,135	$603,997	$663,860	$708,295	$752,729	$797,164	$884,336	$971,508	$1,058,680	$1,058,680
Net Annual Impact (Runoff)	($96,115)	($192,229)	($246,257)	($263,934)	($261,422)	($261,875)	($283,560)	($291,823)	($304,612)	($233,201)	($183,489)	($145,491)	($200,401)	($258,862)	($346,034)	($346,034)
Sewer Service																
Revenues																
City Sewer Service Fees (Fnd 602)	$0	$0	$105,249	$186,965	$300,972	$432,415	$498,153	$590,463	$669,096	$887,445	$1,095,171	$1,272,170	$1,326,061	$1,374,021	$1,374,021	$1,374,021
Expenditures (new infrastructure, inc. offsites)																
Sewer Lines and Pump Stations	$149,831	$299,662	$449,492	$551,301	$653,110	$754,920	$848,238	$941,556	$1,034,875	$1,104,143	$1,173,411	$1,242,679	$1,378,569	$1,514,460	$1,650,350	$1,650,350
Net Annual Impact (Sewer)	($149,831)	($299,662)	($344,243)	($364,336)	($352,139)	($322,505)	($350,085)	($351,094)	($365,779)	($216,697)	($78,240)	$29,491	($52,508)	($140,438)	($276,329)	($276,329)
Other Expenditures																
Landscaping																
Onsite	$92,432	$184,863	$277,295	$332,583	$387,872	$443,160	$487,907	$532,653	$577,400	$615,532	$653,663	$691,795	$761,730	$831,665	$901,600	$901,600
Offsite Improvements	$38,636	$38,636	$79,307	$207,577	$233,990	$238,846	$255,476	$270,691	$324,150	$359,753	$401,961	$401,961	$401,961	$401,961	$401,961	$401,961
Total Expenditures	$131,068	$223,499	$356,602	$540,160	$621,862	$682,006	$743,383	$803,344	$901,550	$975,285	$1,055,624	$1,093,756	$1,163,691	$1,233,626	$1,303,561	$1,303,561
Existing Infrastructure																
Total Expenditures	$939,745	$887,523	$809,895	$766,965	$725,446	$674,164	$619,590	$519,968	$481,272	$440,576	$403,174	$369,888	$369,888	$369,888	$369,888	$369,888
Net Annual Impact (Other)	($1,070,813)	($1,111,022)	($1,166,497)	($1,307,125)	($1,347,307)	($1,356,171)	($1,362,973)	($1,323,312)	($1,382,821)	($1,415,861)	($1,458,798)	($1,463,644)	($1,533,579)	($1,603,514)	($1,673,449)	($1,673,449)
TOTAL, Public Works	($1,545,396)	($2,060,189)	($357,967)	($977,965)	($1,191,276)	($222,293)	($1,544,712)	($1,065,088)	($2,150,950)	$181,407	$1,168,887	$639,960	($2,273,774)	($3,171,214)	($4,890,058)	($4,890,058)

Table A-1b
Fiscal Impact Detailed Summary (constant $)
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Stabilized
LIBRARY																
Library Revenues (Fund 210)																
Taxes	$0	$0	$8,009	$61,399	$113,267	$168,973	$217,532	$276,020	$325,807	$401,065	$459,673	$522,517	$565,299	$598,512	$598,512	$598,512
User Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$8,009**	**$61,399**	**$113,267**	**$168,973**	**$217,532**	**$276,020**	**$325,807**	**$401,065**	**$459,673**	**$522,517**	**$565,299**	**$598,512**	**$598,512**	**$598,512**
Expenditures																
Expenditures	$0	$0	$0	$0	$0	$0	$0	$0	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492	$724,492
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**	**$724,492**
Net Annual Library Impact	**$0**	**$0**	**$8,009**	**$61,399**	**$113,267**	**$168,973**	**$217,532**	**$276,020**	**($398,685)**	**($323,427)**	**($264,819)**	**($201,975)**	**($159,193)**	**($125,980)**	**($125,980)**	**($125,980)**

Source: Economic & Planning Systems, Inc.

Table A-2
Citywide General Assumptions and Data, Year 2009
Alameda Point Public Services Analysis; EPS # 14012

Item	City	Source
Population	74,683	CA Department of Finance
Housing Units	31,997	CA Department of Finance
Employees	27,056	ABAG Projections 2009 (1)
Resident Equivalent	0.50	
Daytime Population	88,211	
Day and Night Population	101,739	

(1) Annual growth rate derived from 2005 and 2010 job estimates to generate a 2009 estimate.

Table A-3
Budget Summary and Estimating Factors
Alameda Point Public Services Analysis; EPS # 14012

Item	2009-10 Proposed General Fund	% Variable		Estimating Factor
REVENUE ASSUMPTIONS				
Property Tax				
City Share of Pass Throughs, net after ERAF (1)			26.5%	share of pass through, net after ERAF
Transfer Tax (2)			$12.00	per $1,000 of AV at transfer
Turnover rates				
Residential - Market Rate			4.70%	annually
Commercial			5.00%	annually
Sales Tax (3)	$5,150,000		$68.96	per resident AND
			$0.00	per square foot of new retail space (4)
			$1.82	per construction employee (5)
Transient Occupancy Tax				
Full-Service Hotel (6)			$4,216	per room per year
Hostel/ Dormitory (7)			$1,168	per room per year
Utility Users Tax	$9,290,200		$124.40	per resident
Franchise Fees (8)	$2,288,860		$30.65	per resident
Business License Tax	$1,750,000		$64.68	per employee
Fines & Forfeitures (9)	$587,000		$7.86	per resident
Motor Vehicle in Lieu	$250,000		$3.35	per resident
Gas Tax	$1,052,900		$14.10	per resident
EXPENDITURE ASSUMPTIONS (10)				
Planning and Building Services (11)	$0		$0.00	per daytime population
Parks (12)			$10,000	per acre
Recreation Programs (13)	$0		$0.00	per resident
Sports Complex (14)	$93,860		$93,860	annually
Police (15)	$21,066,160		$319.18	per call for service (See **Table A-14**)
Collaborative share			$352,837	based on service calls to existing collaborative residential units
Fire	$21,320,363	96%	$3,215	per call for service (See **Table A-13**)
Public Works				
Administration (16)	$350,000		$0.01	per road area (sq. ft.)
Ongoing Maintenance (17)	$4,650,000		$0.17	per road area (sq. ft.)
Maintenance of City-Occupied (18) Buildings at Alameda Point	$275,367		$275,367	annually
Library (19)	$724,492		$724,492	annually
General Government (20)				
General Government (exluding Loss Reserves)	$10,937,500	33%	$112.80	per unit
Risk Management Loss Reserve (21)	$1,250,000	5%	$1.95	per unit
Workers' Compensation Loss Reserve (21)	$1,900,000	5%	$2.97	per unit

(1) From Alameda County Auditor Controller

(2) In 2006, the turnover rate for single-family residential units in the City of Alameda was approximately 4.7 percent.

(3) Includes 1% Sales Tax. Excludes Prop 172 Sales Tax and Sales Tax in lieu (Triple Flip) (09-10).

(4) Conservatively, assumes all new retail sales tax is generated by new residents and spent at existing and new retail in Alameda Pt. and the City.

(5) Assumes 10% of construction employees spend an average of $7 in Alameda per workday per year (260 workdays per year).

(6) Assumes an average daily rate of $165 and 70% occupancy.

(7) Assumes hostel has 150 rooms (combination of private rooms and dorms) with an average of 2 beds per room for a total of 300 beds. Nightly hostel rates are on a per bed basis. Assumes an average daily rate of $32 per bed or $64 per room and 50% occupancy.

(8) Franchise Fees include: PG&E, Garbage, and Cable (09-10). Does not include AMP Electricity Franchise Fees as they are annual fees that do not vary with population growth.

(9) Revenue derived from parking violations and animal control enforcement.

(10) Citywide expenditures used to calculate per resident costs are net of dedicated program revenues and charges for service.

(11) Planning and Building services is fully funded by fees.

(12) Average unit cost based on Parks and Recreation Department estimate.

(13) Recreation Programs is fully funded by fees.

(14) Source: Alameda Park & Rec Dept, estimated operating budget for sports complex net of revenue. Operating costs will be phased in as construction is complete

(15) Police Dept. Salaries FY09-10. Does not include Supplies and Services, Capital Outlay, Debt, and Equipment Replacement. Approximately 66,000 calls for service each year.

(16) Administration represents 7% of FY07-08 budget. Based on interviews with Public Works staff (April 2009) the applicable department budget was determined to be $5 million. Administration costs estimated at 7% of $5 million.

(17) Estimated $4.65 million department budget excluding Administration costs. Includes the ongoing repairs of sidewalks, graffiti removal, repair of streets, inspection and repair of traffic signals and parking meters, street sweeping, pruning trees, maintaining medians, repairing and installing street signs, and installing painted street markings.

(18) Based on ARRA Cash Flow (2008-2017). Buildings and Grounds Maintenance cost for FY 08-09.

(19) Based on operating expenses for a new 15,000 sq. ft. library. Cost estimate from Library Department.

(20) Includes City Council, City Attorney, City Clerk, City Manager, Finance, and Human Services.

(21) Assumes only 5% of the Loss Reserve amount is variable because the annual reserve amounts are primarily based on the City's loss history. An increase in population would result in a minimal increase in the number of liability claims filed against the City, and therefore a minimal increase in the Loss Reserves.

Sources: City of Alameda 2008-2010 Proposed Budget/Financial Plan; City of Alameda; and Economic & Planning Systems, Inc.

Table A-4
Project Description and Assumptions at Buildout
Alameda Point Public Services Analysis; EPS # 14012

Description	Total Units or Sq. Ft.	Residents or Employees per Unit (1)	Total Residents or Employees at Buildout
Residential (1)			
New Market-Rate Units	3,577	2.4 /unit	8,585
New Affordable Units	759	2.4 /unit	1,822
Reuse (BEQ, 45 whites/ranches, 200 collaborative)	509	2.4 /unit	1,222
Residential Subtotal	4,845		11,628
Commercial (2)	4,242,875	2.75 per 1,000 S.F.	11,668
Commercial Subtotal	4,242,875		11,668
Hotel			
Full-Service	150		
Hostel/ Dormitory	150		
Hotel Subtotal	300		
Open Space			
Parks (Net Acres) (3)	61		
Marina (Net Acres)	9		
Sports Complex	51		
Open Space Subtotal	121		
Infrastructure			
Streets (linear ft.)	69,650		
Streets (sq. ft.)	2,369,060		

(1) Include market-rate and affordable units with a mix of single family, duplexes, small townhomes, multifamily podium, mixed-use and reuse.
(2) Includes office, retail, and adaptive reuse; civic uses not included in total.
(3) Excludes 24-acre Enterprise Park (note: acreages have been rounded).

Sources: Alameda Point Development Initiative; Economic & Planning Systems, Inc.

Table A-4a
Project Description -- Annual
Alameda Point Public Services Analysis; EPS # 14012

Description	TOTAL	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
ANNUAL INCREMENT																	
Residential																	
New Market Rate Units	3,577	0	0	0	338	341	295	335	391	307	344	329	346	318	233	0	0
New Affordable Units	759	0	0	0	90	100	60	18	45	0	396	0	0	0	50	0	0
Reuse & Collaborative	509	0	0	0	16	219	10	0	0	157	107	0	0	0	0	0	0
Total Residential	**4,845**	**0**	**0**	**0**	**444**	**660**	**365**	**353**	**436**	**464**	**847**	**329**	**346**	**318**	**283**	**0**	**0**
Hotel Rooms																	
Full-Service	150	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150	0
Hostel/ Dormitory	150	0	0	0	0	0	0	150	0	0	0	0	0	0	0	0	0
Total Hotel Rooms	**300**	**0**	**0**	**0**	**0**	**0**	**0**	**150**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**150**	**0**
Total Commercial	**4,242,875**	**0**	**0**	**807,602**	**49,658**	**16,553**	**533,958**	**45,390**	**141,352**	**0**	**574,034**	**1,166,101**	**908,226**	**0**	**0**	**0**	**0**
Open Space																	
Parks (1)	61	2	2	2	6	6	6	3	3	3	3	3	3	7	7	7	0
Marina	9	0	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0
Sports Complex	51	0	0	0	0	0	13	13	13	13	0	0	0	0	0	0	0
Infrastructure (2)																	
Streets (linear ft.)	69,650	6,323	6,323	6,323	4,297	4,297	4,297	3,938	3,938	3,938	2,923	2,923	2,923	5,735	5,735	5,735	0
Streets (sq. ft.)	2,369,060	222,673	222,673	222,673	144,893	144,893	144,893	130,920	130,920	130,920	98,013	98,013	98,013	193,187	193,187	193,187	0
Utility (acres)	1	0.26	0.26	0.26	0	0	0	0	0	0	0	0	0	0	0	0	0
Pedestrian/Bike Trails (linear ft.) (3)	39,120	1,197	1,197	1,197	4,114	4,114	4,114	1,695	1,695	1,695	1,671	1,671	1,671	4,363	4,363	4,363	0
Landscaping (sq. ft.)	901,600	92,432	92,432	92,432	55,288	55,288	55,288	44,747	44,747	44,747	38,132	38,132	38,132	69,935	69,935	69,935	0
Curb and Gutter (linear ft.) (4)	153,230	13,911	13,911	13,911	9,453	9,453	9,453	8,664	8,664	8,664	6,431	6,431	6,431	12,617	12,617	12,617	0

(1) Excludes 24-acre Enterprise Park.

(2) Based on the CBG engineering report.

(3) Total of 391,200 square feet. Excludes trails in Enterprise Park. Assumes an average trail width of 10 feet.

(4) Assumed to be 2.2 times the amount of roadway in linear feet to account for lengthier curbs and gutters proposed for West Atlantic Avenue.

Source: Economic & Planning Systems, Inc.

Table A-4b
Project Description -- Cumulative
City of Alameda Public Services Analysis; EPS # 14012

Description	TOTAL	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUMULATIVE																	
Residential																	
Market Rate Units	3,577	0	0	0	338	679	974	1,309	1,700	2,007	2,351	2,680	3,026	3,344	3,577	3,577	3,577
Affordable Units	759	0	0	0	90	190	250	268	313	313	709	709	709	709	759	759	759
Reuse	509	0	0	0	16	235	245	245	245	402	509	509	509	509	509	509	509
Total Residential	**4,845**	**0**	**0**	**0**	**444**	**1,104**	**1,469**	**1,822**	**2,258**	**2,722**	**3,569**	**3,898**	**4,244**	**4,562**	**4,845**	**4,845**	**4,845**
Hotel Rooms																	
Full-Service	150	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150	150
Hostel/ Dormitory	150	0	0	0	0	0	0	150	150	150	150	150	150	150	150	150	150
Total Hotel Rooms	**300**	**0**	**0**	**0**	**0**	**0**	**0**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**300**	**300**
Total Commercial	**4,242,875**	**0**	**0**	**807,602**	**857,261**	**873,814**	**1,407,772**	**1,453,162**	**1,594,514**	**1,594,514**	**2,168,547**	**3,334,649**	**4,242,875**	**4,242,875**	**4,242,875**	**4,242,875**	**4,242,875**
Open Space																	
Parks	61	2	4	6	12	18	25	27	30	33	35	38	40	47	54	61	61
Marina	9	0	0	0	0	0	9	9	9	9	9	9	9	9	9	9	9
Sports Complex	51	0	0	0	0	0	13	26	38	51	51	51	51	51	51	51	51
Infrastructure																	
Streets (linear ft.)	69,650	6,323	12,647	18,970	23,267	27,563	31,860	35,798	39,737	43,675	46,598	49,522	52,445	58,180	63,915	69,650	69,650
Streets (sq. ft.)	2,369,060	222,673	445,347	668,020	812,913	957,807	1,102,700	1,233,620	1,364,540	1,495,460	1,593,473	1,691,487	1,789,500	1,982,687	2,175,873	2,369,060	2,369,060
Utility (acres)	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Pedestrian/Bike Trails (linear ft.)	39,120	1,197	2,393	3,590	7,704	11,818	15,932	17,627	19,322	21,017	22,688	24,359	26,031	30,394	34,757	39,120	39,120
Landscaping (sq. ft.)	901,600	92,432	184,863	277,295	332,583	387,872	443,160	487,907	532,653	577,400	615,532	653,663	691,795	761,730	831,665	901,600	901,600
Curb and Gutter (linear ft.)	153,230	13,911	27,823	41,734	51,187	60,639	70,092	78,756	87,421	96,085	102,516	108,948	115,379	127,996	140,613	153,230	153,230

Source: Economic & Planning Systems, Inc.

Table A-5
Land and Building Value Assumptions
Alameda Point Public Services Analysis; EPS # 14012

Item	Average Price (per unit/per sq. ft.)
Residential	
Market-Rate Units	$768,761
Affordable Units	$213,358
Reuse	$308,840
Commercial	
New Commercial	$375
Adaptive Reuse	$103

Source: Economic & Planning Systems, Inc.

Table A-6
Project Assessed Value (constant)
Alameda Point Public Services Analysis; EPS #14012

Item	Total	1	2	3	4	5	6	7	8	9
Market-Rate Residential										
Assessed Value (1)	$2,749,856,902	$0	$0	$0	$259,841,105	$262,147,387	$226,784,396	$257,534,823	$300,585,420	$236,009,524
Cumulative	$2,749,856,902	$0	$0	$0	$259,841,105	$521,988,492	$748,772,889	$1,006,307,712	$1,306,893,132	$1,542,902,657
Below Market-Rate Residential										
Assessed Value (1)	$161,938,787	$0	$0	$0	$19,202,228	$21,335,809	$12,801,485	$3,840,446	$9,601,114	$0
Cumulative	$161,938,787	$0	$0	$0	$19,202,228	$40,538,036	$53,339,521	$57,179,967	$66,781,081	$66,781,081
Residential Reuse										
Cumulative	309	0	0	0	16	35	45	45	45	202
Assessed Value (1)	$95,431,610	$0	$0	$0	$4,941,443	$5,867,963	$3,088,402	$0	$0	$48,487,905
Cumulative	$95,431,610	$0	$0	$0	$4,941,443	$10,809,406	$13,897,807	$13,897,807	$13,897,807	$62,385,713
Total Residential Assessed Value	$3,007,227,298	$0	$0	$0	$283,984,775	$289,351,159	$242,674,283	$261,375,269	$310,186,534	$284,497,430
Cumulative	$3,007,227,298	$0	$0	$0	$283,984,775	$573,335,934	$816,010,217	$1,077,385,486	$1,387,572,020	$1,672,069,450
Commercial										
Total Commercial Square Footage	4,242,875	0	0	807,602	49,658	16,553	533,958	45,390	141,352	0
Cumulative	4,242,875	0	0	807,602	857,261	873,814	1,407,772	1,453,162	1,594,514	1,594,514
Assessed Value (1)	$412,839,905	$0	$0	$45,764,135	$21,104,820	$7,034,940	$75,644,120	$16,106,310	$24,029,875	$0
Cumulative	$412,839,905	$0	$0	$45,764,135	$66,868,955	$73,903,895	$149,548,015	$165,654,325	$189,684,200	$189,684,200
Total Project Assessed Value (constant $)	**$3,420,067,203**	**$0**	**$0**	**$45,764,135**	**$305,089,595**	**$296,386,099**	**$318,318,403**	**$277,481,579**	**$334,216,409**	**$284,497,430**
Cumulative (constant $)	**$3,420,067,203**	**$0**	**$0**	**$45,764,135**	**$350,853,730**	**$647,239,829**	**$965,558,232**	**$1,243,039,811**	**$1,577,256,220**	**$1,861,753,650**

(1) Based on the average values shown in Table A-5.

Table A-6
Project Assessed Value (constant)
Alameda Point Public Services Analysis; EPS #14012

Item	Total	10	11	12	13	14	15	16
Market-Rate Residential								
Assessed Value (1)	$2,749,856,902	$264,453,669	$252,922,259	$265,991,190	$244,465,892	$179,121,235	$0	$0
Cumulative	$2,749,856,902	$1,807,356,326	$2,060,278,585	$2,326,269,775	$2,570,735,667	$2,749,856,902	$2,749,856,902	$2,749,856,902
Below Market-Rate Residential								
Assessed Value (1)	$161,938,787	$84,489,802	$0	$0	$0	$10,667,904	$0	$0
Cumulative	$161,938,787	$151,270,882	$151,270,882	$151,270,882	$151,270,882	$161,938,787	$161,938,787	$161,938,787
Residential Reuse								
Cumulative	309	309	309	309	309	309	309	309
Assessed Value (1)	$95,431,610	$33,045,897	$0	$0	$0	$0	$0	$0
Cumulative	$95,431,610	$95,431,610	$95,431,610	$95,431,610	$95,431,610	$95,431,610	$95,431,610	$95,431,610
Total Residential Assessed Value	$3,007,227,298	$381,989,368	$252,922,259	$265,991,190	$244,465,892	$189,789,139	$0	$0
Cumulative	$3,007,227,298	$2,054,058,818	$2,306,981,077	$2,572,972,267	$2,817,438,159	$3,007,227,298	$3,007,227,298	$3,007,227,298
Commercial								
Total Commercial Square Footage	4,242,875	574,034	1,166,101	908,226	0	0	0	0
Cumulative	4,242,875	2,168,547	3,334,649	4,242,875	4,242,875	4,242,875	4,242,875	4,242,875
Assessed Value (1)	$412,839,905	$48,059,750	$81,975,565	$93,120,390	$0	$0	$0	$0
Cumulative	$412,839,905	$237,743,950	$319,719,515	$412,839,905	$412,839,905	$412,839,905	$412,839,905	$412,839,905
Total Project Assessed Value (constant $)	**$3,420,067,203**	**$430,049,118**	**$334,897,824**	**$359,111,580**	**$244,465,892**	**$189,789,139**	**$0**	**$0**
Cumulative (constant $)	**$3,420,067,203**	**$2,291,802,768**	**$2,626,700,592**	**$2,985,812,172**	**$3,230,278,064**	**$3,420,067,203**	**$3,420,067,203**	**$3,420,067,203**

(1) Based on the average values shown in Table A-5.

Table A-7a
Population and Employment Projections -- Annual
Alameda Point Public Services Analysis; EPS # 14012

Item	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Residential Population																	
Market Rate Units	8,585	0	0	0	811	818	708	804	938	737	826	790	830	763	559	0	0
Affordable Units	1,822	0	0	0	216	240	144	43	108	0	950	0	0	0	120	0	0
Reuse	1,222	0	0	0	38	526	24	0	0	377	257	0	0	0	0	0	0
Total Residents	**11,628**	**0**	**0**	**0**	**1,066**	**1,584**	**876**	**847**	**1,046**	**1,114**	**2,033**	**790**	**830**	**763**	**679**	**0**	**0**
Commercial Employees																	
New Commercial	11,668	0	0	2,221	137	46	1,468	125	389	0	1,579	3,207	2,498	0	0	0	0
Total Commercial Employees	**11,668**	**0**	**0**	**2,221**	**137**	**46**	**1,468**	**125**	**389**	**0**	**1,579**	**3,207**	**2,498**	**0**	**0**	**0**	**0**
Construction Employees (1)	**21,439**	**0**	**0**	**0**	**250**	**1,759**	**1,747**	**1,874**	**1,693**	**2,075**	**1,818**	**2,752**	**2,129**	**2,312**	**1,691**	**1,339**	**0**

(1) Construction employment based on annual assessed building values. Assumes labor represents 30% of AV and average annual salary of $55,000 (from U.S. Bureau of Labor Statistics May 2007 Occupational Employment and Wage Estimates for Construction and Extraction Occupations in the Oakland-Fremong-Hayward MSA.

Source: Alameda Point Development Initiative; Economic & Planning Systems, Inc.

Table A-7b
Population and Employment Projections Totals
City of Alameda Public Services Analysis; EPS # 14012

Item	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Residents - Annual		-	-	-	1,066	1,584	876	847	1,046	1,114	2,033	790	830	763	679	-	-
Residents - Cumulative	11,628	-	-	-	1,066	2,650	3,526	4,373	5,419	6,533	8,566	9,355	10,186	10,949	11,628	11,628	11,628
Commercial Employees - Annual		-	-	2,221	137	46	1,468	125	389	-	1,579	3,207	2,498	-	-	-	-
Commercial Employees - Cumulative	11,668	-	-	2,221	2,357	2,403	3,871	3,996	4,385	4,385	5,964	9,170	11,668	11,668	11,668	11,668	11,668
Construction Employees - Annual		-	-	-	250	1,759	1,747	1,874	1,693	2,075	1,818	2,752	2,129	2,312	1,691	1,339	-
Construction Employees - Cumulative	21,439	-	-	-	250	2,009	3,755	5,629	7,323	9,397	11,216	13,968	16,097	18,408	20,100	21,439	21,439
Daytime Population - Annual (1)		-	-	1,110	1,134	1,607	1,610	910	1,241	1,114	2,822	2,393	2,079	763	679	-	-
Daytime Population - Cumulative	17,462	-	-	1,110	2,244	3,851	5,461	6,371	7,612	8,725	11,547	13,940	16,020	16,783	17,462	17,462	17,462
Day and Night time Pop - Annual (2)		-	-	2,221	1,202	1,630	2,344	972	1,435	1,114	3,611	3,996	3,328	763	679	-	-
Day and Night time Pop - Cumulative	23,296	-	-	2,221	3,423	5,053	7,397	8,369	9,804	10,918	14,529	18,525	21,854	22,617	23,296	23,296	23,296

(1) Daytime population represents the total number of residents plus 0.5 multiplied by the number of employees.
(2) Day and night time population represents the total number of residents plus the total number of employees.

Source: Economic & Planning Systems, Inc.

Table A-8
Detailed Project Revenues
Alameda Point Public Services Analysis; EPS # 14012

Item	Estimating Factor (1)	TOTAL	1	2	3	4	5	6	7	8	9
Property Tax	See Table A-9	$10,816,234	0	0	0	13,561	62,034	215,055	366,429	526,623	663,832
Property Transfer Tax	See Table A-9	$65,254,073	0	0	0	713,205	4,519,752	4,615,088	4,458,199	4,948,183	5,615,742
Sales Tax	$68.96 per resident	$6,723,749	0	0	0	73,482	182,711	243,119	301,540	373,698	450,490
	$1.82 per construction employee (2)	$39,019	0	0	0	454	3,201	3,179	3,411	3,082	3,776
TOT (Full-Service Hotel)	$4,216 per room per year (3)	$1,264,725	0	0	0	0	0	0	0	0	0
TOT (Hostel/ Dorm)	$1,168 per room per year (4)	$1,752,000	0	0	0	0	0	0	175,200	175,200	175,200
Utility Users Tax	$124.40 per resident	$12,129,120	0	0	0	132,555	329,597	438,567	543,955	674,122	812,648
Franchise Fees	$30.65 per resident	$2,988,295	0	0	0	32,658	81,204	108,051	134,016	166,086	200,215
Business Licenses	$64.68 per employee	$6,279,979	0	0	143,650	152,483	155,427	250,403	258,476	283,619	283,619
Fines & Forfeitures	$7.86 per resident	$766,377	0	0	0	8,375	20,826	27,711	34,370	42,594	51,347
Property Tax in Lieu of VLF	See Table A-10	$14,151,946	0	0	0	17,744	81,166	281,377	479,435	689,033	868,556
Total Revenues		**$122,165,517**	**$0**	**$0**	**$143,650**	**$1,144,518**	**$5,435,919**	**$6,182,550**	**$6,755,031**	**$7,882,241**	**$9,125,425**

(1) See **Table A-3**, unless otherwise noted.

(2) Assumes 10% of construction employee spends an average of $7 in Alameda per workday per year (260 workdays per year).

(3) Assumes 150 rooms with an average daily rate of $165 and 70% occupancy

(4) Assumes 150 rooms (combination of private rooms and dorms) with an average of 2 beds per room. Hostel rates are on a per bed basis. Assumes an average rate of $32 per bed or $64 per room and 50% occupancy.

Sources: City of Alameda; Economic & Planning Systems, Inc.

Table A-8
Detailed Project Revenues
Alameda Point Public Services Analysis

Item	Estimating Factor (1)	TOTAL	10	11	12	13	14	15	16
Property Tax	See Table A-9	$10,816,234	797,374	925,519	1,142,221	1,311,128	1,484,659	1,613,458	1,694,341
Property Transfer Tax	See Table A-9	$65,254,073	5,780,924	7,522,192	6,226,096	6,902,755	6,680,998	5,039,310	2,231,629
Sales Tax	$68.96 per resident	$6,723,749	590,668	645,117	702,380	755,009	801,845	801,845	801,845
	$1.82 per construction employee (2)	$39,019	3,309	5,009	3,874	4,208	3,078	2,437	0
TOT (Full-Service Hotel)	$4,216 per room per year (3)	$1,264,725	0	0	0	0	0	632,363	632,363
TOT (Hostel/ Dorm)	$1,168 per room per year (4)	$1,752,000	175,200	175,200	175,200	175,200	175,200	175,200	175,200
Utility Users Tax	$124.40 per resident	$12,129,120	1,065,519	1,163,741	1,267,039	1,361,977	1,446,466	1,446,466	1,446,466
Franchise Fees	$30.65 per resident	$2,988,295	262,516	286,715	312,165	335,555	356,371	356,371	356,371
Business Licenses	$64.68 per employee	$6,279,979	385,723	593,140	754,688	754,688	754,688	754,688	754,688
Fines & Forfeitures	$7.86 per resident	$766,377	67,325	73,531	80,058	86,056	91,395	91,395	91,395
Property Tax in Lieu of VLF	See Table A-10	$14,151,946	1,043,283	1,210,948	1,494,481	1,715,477	1,942,526	2,111,046	2,216,874
Total Revenues		**$122,165,517**	**$10,171,840**	**$12,601,111**	**$12,158,202**	**$13,402,053**	**$13,737,226**	**$13,024,579**	**$10,401,172**

(1) See **Table A-3**, unless otherwise noted.

(2) Assumes 10% of construction employee spends an average of $7 in Alamec

(3) Assumes 150 rooms with an average daily rate of $165 and 70% occupancy

(4) Assumes 150 rooms (combination of private rooms and dorms) with an aver per room and 50% occupancy.

Sources: City of Alameda; Economic & Planning Systems, Inc.

Table A-9
General Fund Property Tax and Transfer Tax Revenue
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10
PROPERTY TAX REVENUE										
Tax Increment (Pass-Throughs) (1)	$0	$0	$0	$51,175	$234,092	$811,527	$1,382,751	$1,987,258	$2,505,025	$3,008,958
City General Fund Allocation at 26.50% (2)	**$0**	**$0**	**$0**	**$13,561**	**$62,034**	**$215,055**	**$366,429**	**$526,623**	**$663,832**	**$797,374**
PROPERTY TRANSFER TAX REVENUE										
Value of Transferred Property										
Land Sales (3)	**$0**	**$0**		**$50,280,919**	**$68,769,932**	**$52,472,970**	**$55,875,759**	**$65,821,328**	**$43,270,866**	**$66,866,868**
Building Sales (4)										
Residential	$0	$0	$0	$0	$301,366,915	$313,203,000	$267,932,017	$294,351,005	$356,306,826	$333,334,082
Commercial	$0	$0	$0	$45,764,135	$21,104,820	$7,034,940	$75,644,120	$16,106,310	$24,029,875	$0
Adaptive Reuse	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	**$0**	**$0**	**$0**	**$45,764,135**	**$322,471,735**	**$320,237,940**	**$343,576,137**	**$310,457,315**	**$380,336,701**	**$333,334,082**
Turnover of Existing Product										
Cumulative Residential Value	$0	$0	$0	$0	$301,366,915	$614,569,915	$882,501,933	$1,176,852,937	$1,533,159,764	$1,866,493,846
Cumulative Commercial Value	$0	$0	$0	$45,764,135	$66,868,955	$73,903,895	$149,548,015	$165,654,325	$189,684,200	$189,684,200
Residential Turnover at 4.70% (5)	$0	$0	$0	$0	$0	$14,164,245	$28,884,786	$41,477,591	$55,312,088	$72,058,509
Commercial Turnover at 5.00%	$0	$0	$0	$0	$2,288,207	$3,343,448	$3,695,195	$7,477,401	$8,282,716	$9,484,210
Total Assessed Value Subject to Transfer (6)	**$0**	**$0**	**$0**	**$59,433,746**	**$376,646,019**	**$384,590,650**	**$371,516,581**	**$412,348,586**	**$467,978,471**	**$481,743,670**
Total Transfer Tax Revenue at $12.00 per $1,000 A.V. (7)	**$0**	**$0**	**$0**	**$713,205**	**$4,519,752**	**$4,615,088**	**$4,458,199**	**$4,948,183**	**$5,615,742**	**$5,780,924**

(1) Per Health and Safety Code 33607.5(b), 33607.5(c), and 33607.5(d), the community that formed the redevelopment area receives a share of the pass-throughs established in years 1-10, with no share of subsequent increased pass-through percentages.

(2) From Alameda County Auditor Controller

(3) Based on the project pro forma; excludes land sales for affordable units.

(4) Assumed to be a year after land sales to reflect the development period before occupancy.

(5) In 2006, the turnover rate for single-family residential units in the City of Alameda was approximately 4.7 percent; actual rate varies year-to-year.

(6) Assumes 20% of commercial building sales subject to transfer.

(7) Current tax rate for City of Alameda

Source: City of Alameda; Economic & Planning Systems, Inc.

Table A-9
General Fund Property Tax and Transfer Ta
Alameda Point Public Services Analysis; EP

Item	11	12	13	14	15	16
PROPERTY TAX REVENUE						
Tax Increment (Pass-Throughs) (1)	$3,492,524	$4,310,269	$4,947,651	$5,602,488	$6,088,520	$6,393,740
City General Fund Allocation at 26.50% (2)	**$925,519**	**$1,142,221**	**$1,311,128**	**$1,484,659**	**$1,613,458**	**$1,694,341**
PROPERTY TRANSFER TAX REVENUE						
Value of Transferred Property						
Land Sales (3)	**$63,515,279**	**$73,066,932**	**$86,221,012**	**$86,849,879**	**$0**	**$0**
Building Sales (4)						
Residential	$456,512,655	$308,310,823	$330,726,612	$310,041,861	$245,512,489	$0
Commercial	$48,059,750	$81,975,565	$93,120,390	$0	$0	$0
Adaptive Reuse	$0	$0	$0	$0	$0	$0
Subtotal	**$504,572,405**	**$390,286,388**	**$423,847,002**	**$310,041,861**	**$245,512,489**	**$0**
Turnover of Existing Product						
Cumulative Residential Value	$2,323,006,501	$2,631,317,324	$2,962,043,936	$3,272,085,797	$3,517,598,286	$3,517,598,286
Cumulative Commercial Value	$237,743,950	$319,719,515	$412,839,905	$412,839,905	$412,839,905	$412,839,905
Residential Turnover at 4.70% (5)	$87,725,211	$109,181,306	$123,671,914	$139,216,065	$153,788,032	$165,327,119
Commercial Turnover at 5.00%	$9,484,210	$11,887,198	$15,985,976	$20,641,995	$20,641,995	$20,641,995
Total Assessed Value Subject to Transfer (6)	**$626,849,305**	**$518,841,370**	**$575,229,593**	**$556,749,800**	**$419,942,517**	**$185,969,115**
Total Transfer Tax Revenue at $12.00 per $1,000 A.V. (7)	**$7,522,192**	**$6,226,096**	**$6,902,755**	**$6,680,998**	**$5,039,310**	**$2,231,629**

Table A-9b
Assessed Value and Tax Increment Projections (Constant $$)
Alameda Point Public Services Analysis; EPS # 14012

Item	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual Assessed Valuation														
Land Sales (1)	$551,668,819	$8,886,240	$40,506,485	$53,240,654	$59,433,322	$48,866,086	$57,170,365	$10,297,914	$25,154,252	$61,802,375	$69,329,305	$58,712,314	$58,269,506	$0
Net Land Sales	($551,668,819)	$0	($8,886,240)	($40,506,485)	($53,240,654)	($59,433,322)	($48,866,086)	($57,170,365)	($10,297,914)	($25,154,252)	($61,802,375)	($69,329,305)	($58,712,314)	($58,269,506)
Adaptive Reuse (2)	$50,103,430	$16,701,143	$16,701,143	$16,701,143	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Residential Value (3)	$2,757,625,218	$0	$0	$239,389,061	$272,788,245	$241,518,853	$235,397,431	$276,186,326	$226,926,909	$326,923,612	$233,893,997	$250,260,537	$243,458,701	$210,879,546
Commercial Value (3)	$389,141,206	$0	$43,137,086	$19,893,317	$6,631,106	$71,301,838	$15,181,742	$22,650,462	$0	$45,300,924	$77,269,832	$87,774,899	$0	$0
Total Assessed Value	$3,196,869,853	$25,587,383	$91,458,475	$288,717,690	$285,612,019	$302,253,455	$258,883,452	$251,966,336	$241,783,248	$408,872,657	$318,690,760	$327,418,444	$243,015,893	$152,610,040
Cumulative Assessed Value	$3,196,869,853	$25,587,383	$117,045,858	$405,763,548	$691,375,567	$993,629,022	$1,252,512,474	$1,504,478,810	$1,746,262,058	$2,155,134,716	$2,473,825,476	$2,801,243,920	$3,044,259,813	$3,196,869,853
Gross Tax Increment at 1.00%	$204,079,885	$255,874	$1,170,459	$4,057,635	$6,913,756	$9,936,290	$12,525,125	$15,044,788	$17,462,621	$21,551,347	$24,738,255	$28,012,439	$30,442,598	$31,968,699
New Base Years 11 to 30 (4)	$204,079,885	$255,874	$1,170,459	$4,057,635	$6,913,756	$9,936,290	$12,525,125	$15,044,788	$17,462,621	$21,551,347	$24,738,255	$28,012,439	$30,442,598	$31,968,699
New Base Years 31 to 45	$28,956,602	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,186,908	$6,461,092	$8,891,251	$10,417,351
(Less) County Admin Fee at 1.0%	($2,040,799)	($2,559)	($11,705)	($40,576)	($69,138)	($99,363)	($125,251)	($150,448)	($174,626)	($215,513)	($247,383)	($280,124)	($304,426)	($319,687)
Tax Increment Allocated to RDA	$202,039,086	$253,315	$1,158,754	$4,017,059	$6,844,618	$9,836,927	$12,399,873	$14,894,340	$17,287,994	$21,335,834	$24,490,872	$27,732,315	$30,138,172	$31,649,012
Housing Set-aside at 20.00%	$40,815,977	$51,175	$234,092	$811,527	$1,382,751	$1,987,258	$2,505,025	$3,008,958	$3,492,524	$4,310,269	$4,947,651	$5,602,488	$6,088,520	$6,393,740
Pass Throughs per AB 1290														
Years 1 to 10 at 20.00%	$40,815,977	$51,175	$234,092	$811,527	$1,382,751	$1,987,258	$2,505,025	$3,008,958	$3,492,524	$4,310,269	$4,947,651	$5,602,488	$6,088,520	$6,393,740
Years 11 to 30 at 16.80%	$34,285,421	$42,987	$196,637	$681,683	$1,161,511	$1,669,297	$2,104,221	$2,527,524	$2,933,720	$3,620,626	$4,156,027	$4,706,090	$5,114,356	$5,370,741
Years 31 to 45 at 11.20%	$3,243,139	$0	$0	$0	$0	$0	$0	$0	$0	$0	$356,934	$723,642	$995,820	$1,166,743
Total Pass-Throughs	$78,344,537	$94,162	$430,729	$1,493,210	$2,544,262	$3,656,555	$4,609,246	$5,536,482	$6,426,244	$7,930,896	$9,460,611	$11,032,220	$12,198,696	$12,931,224
Annual Net Tax Increment	**$82,878,572**	**$107,979**	**$493,934**	**$1,712,322**	**$2,917,605**	**$4,193,114**	**$5,285,603**	**$6,348,901**	**$7,369,226**	**$9,094,669**	**$10,082,610**	**$11,097,607**	**$11,850,956**	**$12,324,047**
Cumulative	**$82,878,572**	**$107,979**	**$601,912**	**$2,314,234**	**$5,231,839**	**$9,424,954**	**$14,710,556**	**$21,059,457**	**$28,428,683**	**$37,523,351**	**$47,605,961**	**$58,703,568**	**$70,554,525**	**$82,878,572**

(1) Assumes finished product value registers on the tax rolls one year after the sale.
(2) Assumes the value registers on the tax rolls one year after rehab.
(3) Assumes finished product value registers on the tax rolls one year after the sale of units.
(4) Original base year for redevelopment area is 1998.

Table A-10
Property Tax In-Lieu of VLF
Alameda Point Public Services Analysis; EPS # 14012

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Property Tax In-Lieu of VLF	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300	$5,737,300
City Assessed Value	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343	$8,273,544,343
Cumulative Project Assessed Value	$0	$0	$0	$25,587,383	$117,045,858	$405,763,548	$691,375,567	$993,629,022	$1,252,512,474	$1,504,478,810	$1,746,262,058	$2,155,134,716	$2,473,825,476	$2,801,243,920	$3,044,259,813	$3,196,869,853
% Increase in Assessed Value	0.00%	0.00%	0.00%	0.31%	1.41%	4.90%	8.36%	12.01%	15.14%	18.18%	21.11%	26.05%	29.90%	33.86%	36.80%	38.64%
Total Property Tax In-Lieu of VLF (1)	$0	$0	$0	$17,744	$81,166	$281,377	$479,435	$689,033	$868,556	$1,043,283	$1,210,948	$1,494,481	$1,715,477	$1,942,526	$2,111,046	$2,216,874

(1) Total property tax in-lieu of VLF rises at the same rate as the increase in assessed value.

Source: City of Alameda; Economic & Planning Systems, Inc.

Table A-11
Detailed Project Expenditures
Alameda Point Public Services Analysis; EPS # 14012

Item	Amount per unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fire (1)	See Tb A-12, 13	$0	$0	($24,656)	($50,330)	($87,226)	($124,934)	($147,200)	($177,626)	$4,214,102	$2,712,588	$2,682,179	$2,658,510	$2,666,376	$2,676,215	$2,702,977	$2,730,007
Police	See Table A-14	$600,000	$606,000	$612,060	$797,366	$1,340,668	$1,653,088	$1,961,693	$2,345,667	$2,841,971	$3,510,413	$3,911,634	$4,167,961	$4,489,932	$4,776,373	$4,746,517	$4,793,983
Public Works	See Table A-15	$1,545,396	$2,060,189	$2,629,297	$3,215,145	$3,602,750	$3,938,340	$4,250,218	$4,514,276	$4,914,223	$5,198,043	$5,498,101	$5,719,542	$6,216,707	$6,713,871	$7,211,035	$7,211,035
Recreation Programs	Offset by fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks (2)	$10,000 per acre	$18,567	$37,133	$55,700	$119,533	$183,367	$247,200	$273,500	$299,800	$326,100	$352,033	$377,967	$403,900	$471,600	$539,300	$607,000	$607,000
Sports and Recreation Facilities (3)	See Table A-18																
Cumulative % of Facilities in Place		0%	0%	0%	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ballfields and Grounds Costs		$0	$0	$0	$69,050	$138,100	$207,150	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200	$276,200
Aquatic Center		$0	$0	$0	$152,400	$304,800	$457,200	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600	$609,600
Total Expenditures		$0	$0	$0	$221,450	$442,900	$664,350	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800	$885,800
Planning and Building Services	Offset by fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Library	See Tb. A-19	$0	$0	$0	$0	$0	$0	$125,980	$125,980	$125,980	$125,980	$125,980	$125,980	$125,980	$125,980	$125,980	$125,980
General Government	$117.73 per unit	$0	$0	$0	$52,270	$129,969	$172,939	$214,497	$265,825	$320,450	$420,164	$458,895	$499,629	$537,065	$570,382	$570,382	$570,382

(1) Fire expenditures based on estimated cost of operations, staffing and maintenance for Fire Station No. 5. See **Tables A-12** and **A-13**.
(2) Unit cost based on estimate from Parks and Recreation Department. Excludes Sports Complex.
(3) Costs were assumed to phase in as Sports Complex infrastructure investment is made at Alameda Point.

Sources: Economic & Planning Systems, Inc.

Table A-12
New Fire Station Cost Estimate
Alameda Point Public Services Analysis; EPS # 14012

Item	Staff per Shift	Total Staff (1)	FY09/10 Annual Salary	Taxes and Benefits (2)	Compensation	Overtime (3)	Materials and Supplies (4)	Contractual Services (5)	Total Operating Costs
Fire Fighters	5	18	$92,118	$44,217	$2,385,856	$167,010	$51,057	$127,643	$2,731,567

(1) Based on the ratio of the number of firefighters each shift to the total number of firefighters in the department.
(2) Benefits assumed to be 48% of annual salary based on ARRA Station 5 budget for FY05/06.
(3) Overtime assumed to be 7% of annual salary and benefits based on ARRA Station 5 budget for FY05/06.
(4) Materials and Supplies assumed to be 2% of compensation and overtime based on Emergency Services Division FY09/10 budget.
(5) Contractual Services assumed to be 5% of compensation and overtime based on Emergency Services Division FY09/10 budget.

Source: City of Alameda; City of Alameda Resource Allocation Plan; Economic & Planning Systems, Inc.

Table A-13
Fire Station Projected Cost Estimate
Alameda Point Public Services Analysis; EPS # 14012

Item	Assumption	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Base Calls for Service (1)	459 annually	459	459	459	459	459	459	459	459	459	459	459	459	459	459	459	459
New Calls for Service (2)	0.064 per daytime pop	0	0	71	144	247	350	408	487	559	739	893	1,026	1,075	1,118	1,118	1,118
Total Calls for Service		459	459	530	603	706	809	867	946	1,018	1,198	1,352	1,485	1,534	1,577	1,577	1,577
Number of Additional Staff Required (3)	18 per station	0	0	0	0	0	0	0	0	18	18	18	18	18	18	18	18
Estimated Cost (4)	See Table A-12	$0	$0	$0	$0	$0	$0	$0	$0	$2,731,567	$2,731,567	$2,731,567	$2,731,567	$2,731,567	$2,731,567	$2,731,567	$2,731,567
Post Employment Benefits (5)	$75,000 per new staff	$0	$0	$0	$0	$0	$0	$0	$0	$1,350,000	$0	$0	$0	$0	$0	$0	$0
Less Ambulance Revenue (6)	$21.77 per daytime pop	$0	$0	($24,170)	($48,850)	($83,823)	($118,870)	($138,669)	($165,675)	($189,914)	($251,340)	($303,425)	($348,681)	($365,293)	($380,077)	($380,077)	($380,077)
Total New Station Cost		***$0***	***$0***	***($24,170)***	***($48,850)***	***($83,823)***	***($118,870)***	***($138,669)***	***($165,675)***	***$3,891,653***	***$2,480,227***	***$2,428,141***	***$2,382,885***	***$2,366,273***	***$2,351,490***	***$2,351,490***	***$2,351,490***
Total Station Cost (with cost increase) (7)	1% annually	**$0**	**$0**	**($24,656)**	**($50,330)**	**($87,226)**	**($124,934)**	**($147,200)**	**($177,626)**	**$4,214,102**	**$2,712,588**	**$2,682,179**	**$2,658,510**	**$2,666,376**	**$2,676,215**	**$2,702,977**	**$2,730,007**

(1) The number of Station 5 runs from the ICMA Data Assessment Report for data collected from 12/*/2007 - 11/30/2008..
(2) Based on the ICMA Data Assessment Report for data collected from 12/1/2007 - 11/30/2008. 5,649 calls per year divided by the daytime population.
(3) Based on the ratio of the number of firefighters each shift to the total number of firefighters in the department (see **Table A-12**).
(4) Assumes Station 2 currently has additional capacity to serve the new development and will not need a new engine company until 2017. Estimated cost of additional company is $2.6 million (see **Table A-12**).
(5) Benefits paid to employees after retirement. Assumed to be a one-time cost of $75,000 per additional staff. Based on meeting with Ann Marie Gallant on September 3, 2009.
(6) Based on citywide ambulance fees of $1,920,000 divided by daytime population.
(7) Real increase above inflation.

Sources: City of Alameda Fire Department; Economic & Planning Systems, Inc.

Table A-14
Police Department Cost Estimate
Alameda Point Public Services Analysis; EPS # 14012

Item	Assumption	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Existing Police Costs (1)		$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000
New Police Costs																	
Additional Police Officers	1.3 officers per 1,000 population (2)	0	0	0	1	4	5	6	7	9	11	12	14	15	15	15	15
Net Cost	$245,000 per officer (3)	$0	$0	$0	$346,078	$860,518	$1,145,019	$1,420,166	$1,760,008	$2,121,675	$2,781,873	$3,038,314	$3,308,005	$3,555,871	$3,776,457	$3,776,457	$3,776,457
Post Employment Benefits (4)	$75,000 per new officer	$0	$0	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$150,000	$75,000	$150,000	$75,000	$75,878	$67,526	$0	$0
Collaborative Share Cost (5)		$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837	$352,837
Total New Cost		$352,837	$352,837	$427,837	$773,915	$1,288,355	$1,572,856	$1,848,004	$2,187,846	$2,624,513	$3,209,711	$3,541,151	$3,735,842	$3,984,586	$4,196,821	$4,129,294	$4,129,294
Total Police Cost		***$600,000***	***$600,000***	***$600,000***	***$773,915***	***$1,288,355***	***$1,572,856***	***$1,848,004***	***$2,187,846***	***$2,624,513***	***$3,209,711***	***$3,541,151***	***$3,735,842***	***$3,984,586***	***$4,196,821***	***$4,129,294***	***$4,129,294***
Total Police Cost (with cost increase) (6)	1% annually	**$600,000**	**$606,000**	**$612,060**	**$797,366**	**$1,340,668**	**$1,653,088**	**$1,961,693**	**$2,345,667**	**$2,841,971**	**$3,510,413**	**$3,911,634**	**$4,167,961**	**$4,489,932**	**$4,776,373**	**$4,746,517**	**$4,793,983**

(1) City of Alameda estimate.
(2) Based on total number of officers (99 officers) including Chief of Police, Police Captains, Police Lieutenants, Police Sergeants, and Police Officers in FY08/09 from the Resource Allocation Plan FY09/10 Annual Budget and FY10/11 Budget Forecast.
(3) Based on FY09/10 total police budget.
(4) Benefits paid to employees after retirement. Assumed to be a one-time cost of $75,000 per additional officer. Based on meeting with Ann Marie Gallant on September 3, 2009.
(5) Based on annual cost to serve Collaborative units from prior analysis.
(6) Real increase above inflation.

Sources: City of Alameda Police Department; Economic & Planning Systems, Inc.

Table A-15
Public Works Department Cost Estimate
Alameda Point Public Services Analysis; EPS # 14012

Item		Assumptions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
New Infrastructure																		
Cumulative % of New Infrastructure in Place			0.0%	9.2%	22.8%	30.3%	37.6%	46.6%	56.2%	73.7%	80.5%	87.6%	94.2%	100.0%	100.0%	100.0%	100.0%	100.0%
Road Maintenance (capital cost)	(1)	$0.65 per sq. ft.	$144,738	$289,475	$434,213	$528,394	$622,574	$716,755	$801,853	$886,951	$972,049	$1,035,758	$1,099,466	$1,163,175	$1,288,746	$1,414,318	$1,539,889	$1,539,889
Curb and Gutters (capital cost)	(2)	$1.20 per linear ft.	$16,694	$33,387	$50,081	$61,424	$72,767	$84,110	$94,508	$104,905	$115,302	$123,020	$130,737	$138,455	$153,595	$168,736	$183,876	$183,876
Landscape Maintenance	(3)	$1.00 per sq. ft.	$92,432	$184,863	$277,295	$332,583	$387,872	$443,160	$487,907	$532,653	$577,400	$615,532	$653,663	$691,795	$761,730	$831,665	$901,600	$901,600
Pedestrian/Bike Trails Maintenance	(4)	$1.67 per linear ft.	$1,998	$3,997	$5,995	$12,865	$19,735	$26,606	$29,436	$32,267	$35,098	$37,889	$40,680	$43,471	$50,758	$58,044	$65,330	$65,330
Subtotal			$255,861	$511,722	$767,584	$935,266	$1,102,949	$1,270,631	$1,413,704	$1,556,776	$1,699,849	$1,812,198	$1,924,547	$2,036,896	$2,254,829	$2,472,762	$2,690,695	$2,690,695
Other Road Costs (capital cost)	(5)	10% of road maint. subtotal	$25,586	$51,172	$76,758	$93,527	$110,295	$127,063	$141,370	$155,678	$169,985	$181,220	$192,455	$203,690	$225,483	$247,276	$269,070	$269,070
PW Admin Costs		$0.01 per sq. ft.	$2,774	$5,547	$8,321	$10,126	$11,930	$13,735	$15,366	$16,996	$18,627	$19,848	$21,069	$22,290	$24,696	$27,102	$29,509	$29,509
PW Ongoing Maint. Costs		$0.17 per sq. ft.	$36,849	$73,698	$110,547	$134,525	$158,502	$182,480	$204,145	$225,810	$247,475	$263,695	$279,915	$296,135	$328,104	$360,073	$392,043	$392,043
Offsite Improvements																		
Landscaping for Stargell/Webster Intersection Improvements	(6)	$38,636 per year	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636	$38,636
Pavement Area Maintenance	(7)	$0.65 per sq. ft.	$0	$0	$35,686	$148,234	$171,409	$175,671	$190,262	$203,612	$250,518	$281,758	$318,793	$318,793	$318,793	$318,793	$318,793	$318,793
Landscape/Sidewalk Areas	(7)	$1.00 per sq. ft.	$0	$0	$40,671	$168,941	$195,354	$200,210	$216,840	$232,055	$265,514	$321,117	$363,325	$363,325	$363,325	$363,325	$363,325	$363,325
Curb and Gutters	(7)	$1.20 per linear ft.	$0	$0	$3,364	$13,972	$16,156	$16,553	$17,933	$19,192	$23,613	$26,557	$30,048	$30,048	$30,048	$30,048	$30,048	$30,048
Total New PW Expenditures			**$359,706**	**$680,776**	**$1,081,565**	**$1,543,226**	**$1,805,232**	**$2,024,984**	**$2,238,256**	**$2,448,754**	**$2,734,217**	**$2,945,029**	**$3,168,787**	**$3,309,811**	**$3,583,913**	**$3,858,016**	**$4,132,118**	**$4,132,118**
Existing Infrastructure		Total Expenditures FY08/09																
% of Existing Infrastructure Remaining	(8)		100.0%	90.8%	77.2%	69.7%	62.4%	53.4%	43.8%	26.3%	19.5%	12.4%	5.8%	0.0%	0.0%	0.0%	0.0%	0.0%
City Direct Costs	(9)	$569,857	$569,857	$517,635	$440,007	$397,077	$355,558	$304,277	$249,702	$150,080	$111,384	$70,688	$33,286	$0	$0	$0	$0	$0
Utilities	(10)	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521	$94,521
Maintenance of City-Occupied Buildings	(11)	$275,367 per year	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367	$275,367
Total Existing PW Expenditures			**$939,745**	**$887,523**	**$809,895**	**$766,965**	**$725,446**	**$674,164**	**$619,590**	**$519,968**	**$481,272**	**$440,576**	**$403,174**	**$369,888**	**$369,888**	**$369,888**	**$369,888**	**$369,888**
Other Expenditures																		
Storm Drainage and Outfalls (Fund 351)	(12)	$80,000 per road mile	$96,115	$192,229	$288,344	$353,653	$418,963	$484,272	$544,135	$603,997	$663,860	$708,295	$752,729	$797,164	$884,336	$971,508	$1,058,680	$1,058,680
Sewer Lines and Pump Stations (Fund 602)	(13)	$124,710 per road mile	$149,831	$299,662	$449,492	$551,301	$653,110	$754,920	$848,238	$941,556	$1,034,875	$1,104,143	$1,173,411	$1,242,679	$1,378,569	$1,514,460	$1,650,350	$1,650,350
TOTAL EXPENDITURES			**$1,545,396**	**$2,060,189**	**$2,629,297**	**$3,215,145**	**$3,602,750**	**$3,938,340**	**$4,250,218**	**$4,514,276**	**$4,914,223**	**$5,198,043**	**$5,498,101**	**$5,719,542**	**$6,216,707**	**$6,713,871**	**$7,211,035**	**$7,211,035**
Gas Tax (Fund 211)		$14.10 per resident	$0	$0	$0	$15,023	$37,355	$49,705	$61,649	$76,401	$92,101	$120,760	$131,892	$143,599	$154,359	$163,935	$163,935	$163,935
Urban Runoff (Fund 351)		see Table A-16	$0	$0	$42,087	$89,719	$157,541	$222,397	$260,575	$312,174	$359,248	$475,093	$569,240	$651,673	$683,935	$712,646	$712,646	$712,646
City Sewer Service Fees (Fund 602)		see Table A-17	$0	$0	$105,249	$186,965	$300,972	$432,415	$498,153	$590,463	$669,096	$887,446	$1,095,171	$1,272,170	$1,326,061	$1,374,021	$1,374,021	$1,374,021
Construction Improvement Tax (Fund 164)	(15)		$0	$0	$2,123,994	$1,925,882	$1,866,894	$2,946,711	$1,804,734	$2,370,516	$1,522,720	$3,738,668	$4,698,686	$4,104,794	$1,577,280	$1,221,680	$0	$0
XXB Transportation Improvement (Fund 212)		$6.05 per capita	$0	$0	$0	$6,449	$16,036	$21,338	$26,465	$32,798	$39,538	$51,841	$56,620	$61,646	$66,265	$70,376	$70,376	$70,376
County Measure B Tax (Func 215)	(14)	$34.50 per capita (expires 2022)	$0	$0	$0	$36,767	$91,420	$121,645	$150,877	$186,981	$225,404	$295,543	$322,787	$351,438	$377,771			
Streets and Roads - O&M (65% S&R)	35.7%		$0	$0	$0	$13,142	$32,678	$43,482	$53,930	$66,835	$80,570	$105,640	$115,378	$125,620	$135,032	$0	$0	$0
Streets and Roads - Planning (35% S&R)	19.2%		$0	$0	$0	$7,077	$17,596	$23,413	$29,039	$35,988	$43,384	$56,883	$62,127	$67,641	$72,710	$0	$0	$0
Peds and Bikes	7.4%		$0	$0	$0	$2,737	$6,806	$9,057	$11,233	$13,921	$16,781	$22,003	$24,031	$26,165	$28,125	$0	$0	$0
Paratransit	5.9%		$0	$0	$0	$2,177	$5,414	$7,204	$8,935	$11,073	$13,349	$17,503	$19,116	$20,813	$22,372	$0	$0	$0
Ferries	31.6%		$0	$0	$0	$11,634	$28,927	$38,490	$47,739	$59,163	$71,321	$93,513	$102,134	$111,200	$119,532	$0	$0	$0
	100.0%		$0	$0	$0	$36,767	$91,420	$121,645	$150,877	$186,981	$225,404	$295,543	$322,787	$351,438	$377,771	$0	$0	$0
TOTAL REVENUES			**$0**	**$0**	**$2,271,330**	**$2,260,805**	**$2,470,217**	**$3,794,211**	**$2,802,453**	**$3,569,334**	**$2,908,108**	**$5,569,352**	**$6,874,396**	**$6,585,321**	**$4,185,671**	**$3,542,657**	**$2,320,977**	**$2,320,977**

Table A-15
Public Works Department Cost Estimate
Alameda Point Public Services Analysis; EPS # 14012

(1) Road maintenance, curb and gutters, landscape maintenance, PW administration costs, and landscaping for Stargell/Webster Intersection improvements costs at buildout are used to size the fiscal payment.
(1) Based on optimum annual unit costs provided by the Public Works Department. Includes slurry and overlay work. Assumes periodic (5-year) slurry seal, 20-year reconstruction; costs amortized over 20 years.
(2) Based on optimum annual unit costs provided by the Public Works Department. Assumed to be 2.2 times the amount of roadway in linear feet to account for lengthier curbs and gutters proposed for West Atlantic Avenue
(3) Based on optimum annual unit costs provided by the Public Works Department.
(4) Assumes a trail maintenance cost estimate of $7,800 per linear foot. Based on trails maintenance costs in other jurisdictions.
(5) Estimated by EPS based on optimum annual unit costs provided by the Public Works Department. Includes driveways, signs, striping, traffic signals, street lights, and inpavement lights.
(6) Based on email from J. Ott, dated 10/15/2008.
(7) Based on optimum annual unit costs provided by the Public Works Department. Includes 490,450 square feet in pavement areas, 363,325 square feet in off-site improvements, and 12,520 linear feet of roadway from the CBG Infrastructure Master Plan. Curbs and gutters assumed to be 2 time the amount of roadway in linear feet.
(8) Existing infrastructure maintenance costs were generally assumed to phase out as new infrastructure is installed at Alameda Point. Phasing schedule is based in the percent of total residential units constructed to date.
(9) Based on ARRA Cash Flow (2008-2017) FY 08-09.
(10) Total master metered amount is $945,209 from ARRA Cash Flow (2008-2017) FY 08-09. Assumes 10% of the total amount is for City maintained buildings and the remaining amount will be paid for through lease revenues.
(11) Included as a General Fund expense because the buildings are occupied by departments and services that provide General Fund services, and only a portion are occupied by ARRA Administration. Amount per unit based on ARRA Cash Flow (2008-2017).
(12) Based on current citywide cost of $4 million for drainage maintenance and $2.8 million for ongoing capital repair (email from M. Naclerio dated Sept. 15, 2009). 85 miles assumes (see sewer) actual annual amount spent on 41 mile subset of total miles.
(13) Based on current citywide cost of $6 million for sewer maintenance and $4.6 million for ongoing capital repair on 85 miles of street (email from M. Naclerio dated Sept. 15, 2009).
(14) Actual Measure B allocation is based on several different formulas. For example, local streets and roads funding is based on a formula that takes in to account population and road miles while paratransit funding is based on the number of Alameda resident receiving Social Security benefits.
(15) 1% of cost; assumes market rate res. ($4,960), affordable ($1,320), new commercial ($2.63/sq.ft.), and reuse ($0.72/sq.ft.).

Sources: City of Alameda Public Works Dept., Alameda Point Administration Budget, and Economic & Planning Systems, Inc.

Table A-16
Urban Runoff (Fund 351) Revenue Estimates
Alameda Point Public Services Analysis; EPS # 14012

Item	Assumptions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Commercial																
Gross Area (1)	9,844,560	0	0	1,873,845	115,220	38,407	1,238,921	105,315	327,973	0	1,331,906	2,705,655	2,107,318	0	0	0
Impervious Area	80% of gross area	0	0	1,499,076	92,176	30,725	991,137	84,252	262,379	0	1,065,525	2,164,524	1,685,854	0	0	0
Annual Equivalent Residential Units (ERU) (2)	3,938	0	0	750	46	15	496	42	131	0	533	1,082	843	0	0	0
Cumulative ERU		0	0	750	796	811	1,307	1,349	1,480	1,480	2,013	3,095	3,938	3,938	3,938	3,938
Storm Water Utility Fee	$56.15 per ERU	$0	$0	$42,087	$44,674	$45,537	$73,363	$75,729	$83,095	$83,095	$113,009	$173,778	$221,109	$221,109	$221,109	$221,109
Residential																
Single Family Units (3)	2,239	0	0	0	205	305	169	163	201	214	391	152	160	147	131	0
Multi-Family Units (4)	2,606	0	0	0	239	355	196	190	235	250	456	177	186	171	152	0
Total Annual Units	4,845	0	0	0	444	660	365	353	436	464	847	329	346	318	283	0
Cumulative Units		0	0	0	444	1,104	1,469	1,822	2,258	2,722	3,569	3,898	4,244	4,562	4,845	4,845
Annual Single Family ERU	1 ERU per unit	0	0	0	444	660	365	353	436	464	847	329	346	318	283	0
Annual Multi-family ERU (5)	1.5 ERU per unit	0	0	0	358	532	294	285	352	374	683	265	279	257	228	0
Total Annual ERU	8,754	0	0	0	802	1,192	659	638	788	838	1,530	594	625	575	511	0
Cumulative ERU		0	0	0	802	1,995	2,654	3,292	4,080	4,918	6,449	7,043	7,668	8,243	8,754	8,754
Storm Water Utility Fee	$56.15 per ERU	$0	$0	$0	$45,045	$112,004	$149,034	$184,846	$229,080	$276,154	$362,084	$395,462	$430,564	$462,826	$491,537	$491,537
Total Cumulative ERU		0	0	750	1,598	2,806	3,961	4,641	5,560	6,398	8,461	10,138	11,606	12,180	12,692	12,692
Urban Runoff (Fund 351)	$56.15 per ERU	**$0**	**$0**	**$42,087**	**$89,719**	**$157,541**	**$222,397**	**$260,575**	**$312,174**	**$359,248**	**$475,093**	**$569,240**	**$651,673**	**$683,935**	**$712,646**	**$712,646**

(1) Gross area is equivalent to land area. Commercial gross area estimated at 226 acres based on email from Matt Naclerio dated Sept. 30, 2009.

(2) Based on City of Alameda Resolution No. 13370, the number of ERU is equal to the impervious area divided by 2,000 square feet.

(3) Based on the development program. These include duplexes and small townhomes, as well as single family units.

(4) According to the Storm Water Fee Fact Sheet, provided by M. Naclerio (Sept. 15, 2009) multi-family units are defined as having five or more dwelling units. As such, these include mixed use, multi-family podium, and reuse units.

(5) Actual fee revenue will vary depending on the mix of multi-family and condominium units. Based on email from M. Naclerio, dated Sept. 30, 2009, multi-family units have a factor of 1.5 ERU per unit, while condominiums are 0.3 ERU per unit.

Source: City of Alameda; Economic & Planning Systems, Inc.

Table A-17
Sewer Service Fee (Fund 602) Revenue Estimates
Alameda Point Public Services Analysis; EPS # 14012

Item	Assumptions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Annual Equivalent Dwelling Units (EDU)																
Commercial																
Office (1,2)	0.75 EDU/1,000 sq. ft.	0	0	568	35	12	376	32	99	0	404	821	639	0	0	0
Retail (1,2)	0.40 EDU/1,000 sq. ft.	0	0	20	1	0	13	1	3	0	14	29	22	0	0	0
Subtotal	3,090	0	0	588	36	12	389	33	103	0	418	849	662	0	0	0
Residential																
Single Family (3)	1 EDU per unit	0	0	0	209	311	172	166	206	219	399	155	163	150	133	0
Multifamily (3)	1 EDU per unit	0	0	0	235	349	193	187	230	245	448	174	183	168	150	0
Revenue Estimates																
Commercial EDU	$178.92 per EDU	$0	$0	$105,249	$6,472	$2,157	$69,587	$5,915	$18,421	$0	$74,810	$151,970	$118,363	$0	$0	$0
Single Family Residential	$178.92 per EDU	$0	$0	$0	$37,449	$55,668	$30,786	$29,774	$36,775	$39,136	$71,441	$27,750	$29,183	$26,822	$23,870	$0
Multifamily Residential	$161.04 per EDU	$0	$0	$0	$37,795	$56,182	$31,070	$30,049	$37,114	$39,497	$72,100	$28,006	$29,453	$27,069	$24,090	$0
Total Annual Revenue		$0	$0	$105,249	$81,716	$114,007	$131,443	$65,738	$92,310	$78,634	$218,350	$207,725	$176,999	$53,891	$47,960	$0
Total Cumulative Revenue		$0	$0	$105,249	$186,965	$300,972	$432,415	$498,153	$590,463	$669,096	$887,446	$1,095,171	$1,272,170	$1,326,061	$1,374,021	$1,374,021

(1) Assumes that 262,000 square foot of commercial is retail and the remaining commercial space is office.

(2) The number of equivalent dwelling units (EDU) is based on sewer EDU factors provided by M. Nacleric via email dated 9/16/09.

(3) Based on the development program, assumes approximately 47% of the residential units are single family and 53% are multi-family.

Source: City of Alameda; Economic & Planning Systems, Inc.

Table A-18
Sports and Recreation Facilities
Alameda Point Public Services Analysis; EPS # 14012

Item	Annual Cost
BallFields and Grounds [1]	
Expenditures	
Vehicle-Related (fuel)	$4,800
Equipment Supplies	$30,000
Contractual Services	$40,000
Tools	$5,000
Field Lighting	$25,000
Other Site Lighting	$5,000
Water	$38,000
Garbage	$10,500
Labor	$117,900
Subtotal	$276,200
Revenue	
Soccer Fields [2]	$158,400
Soccer Tournament Rentals	$35,000
Softball Fields [3]	$92,160
Softball Tournament Rentals	$25,000
Softball Miscellaneous Rentals	$35,000
Concessions	$24,500
Subtotal	$370,060
Net Cost	($93,860)
Aquatic Complex	
Expenditures	
Labor	$384,600
Management Fee	$20,000
Materials/ Supplies	$51,000
Contractual Services	$64,000
Utilities	$90,000
Subtotal	$609,600
Revenue	
Lessons	$329,000
Classes	$35,600
Recreation Swim	$60,000
Lap Swim	$40,000
Swim Team Rentals	$40,000
Private Rentals	$35,000
Concessions	$25,000
Meets	$25,000
Youth Birthday Rentals	$20,000
Subtotal	$609,600
Net Cost	$0
Total Net Costs	($93,860)

[1] Assumes all weather turf (6 soccer fields, 4 softball fields).

[2] Assumes 3,690 hours annually at $40 per hour.

[3] Assumes 2,304 hours annually at $40 per hour.

Source: Alameda Recreation & Parks Department, memo from D. Lillard dated Sept. 3, 2009; Economic & Planning Systems, Inc.

Table A-19
Library Cost Estimate at Buildout (1)
Alameda Point Public Services Analysis; EPS # 14012

Item	Amount
Revenues	
Special Taxes (2,3)	$598,512
Expenditures	
Staff	
Librarians (4)	$340,000
Library Technicians (5)	$190,000
Custodian	$60,000
Library Aide (6)	$11,000
Subtotal	$601,000
Collections	
Books and Manuals (7)	$47,000
Periodicals and Subscriptions	$7,000
Forms Printing	$1,500
Book Processing Supplies	$8,000
Subtotal	$63,500
Utilities	
Water	$5,720
Electricity	$25,000
Sewer	$400
Natural Gas	$1,500
Subtotal	$32,620
Janitorial & Office Supplies	$16,800
Data & Phone Lines (8)	$3,872
Public Copy Machine	$2,100
Alarm Monitoring	$4,600
Total Expenditures	$724,492
Net Fiscal Impact	**($125,980)**

(1) Assumes a new 15,500 square foot facility open 6 days a week, 7 hours a day.
(2) Based on 1.75 cents per $100 in AV (see **Table A-1**).
(3) User fees are not estimated because they are not a significant and stable source of revenue.
(4) Includes 1 FT senior librarian and 3 FT librarians.
(5) Includes 3 FT library technicians.
(6) Approximately 1,000 hours per year (no FT equivalent).
(7) Not the initial collection.
(8) Assumes 6 phone lines, 1 data connection, and a cellular phone which the city uses the line item to pay for internet connection.

Source: Library Department, email from Jane Chisaki (Sept. 22, 2009); Economic & Planning Systems, Inc.

Final Report

Alameda Point Financial Feasibility Analysis

The Economics of Land Use

Prepared for:

City of Alameda

Prepared by:

Economic & Planning Systems, Inc.

June 2010

EPS #14012

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1. INTRODUCTION AND KEY FINDINGS

This report describes EPS's key findings, assumptions, and approach to evaluating the financial feasibility of the Alameda Point Density Bonus Option redevelopment (Project) proposed by SunCal (Developer). Alameda Point presents unique development opportunities and challenging financial requirements. The purpose of financial feasibility analyses is to evaluate the viability of the financial investment in the Project to ensure that the ultimate Plan reflects a development program which can be achieved. The feasibility analysis will also help the City to structure a partnership with the private sector understanding the risk associated with a significant level of public investment into the Project.

Because feasibility analysis relies upon estimates of future market values and costs, it must utilize the best data available at the time to foresee likely future dynamics in the real estate and financial markets. It is important in underwriting a large-scale, multi-phased development project that pro forma assumptions be conservative so that likely financial outcomes are not overstated, and that risks are appropriately evaluated. Therefore, this analysis employs conservative assumptions to avoid overstating the feasibility of the Plan. The actual Project cash flow will depend on the timing, use, and extent of public financing options, the timing and actual costs of site development investments, and the rate of absorption and achievable values of new development and rehabilitated buildings. Phasing of improvements will need to be adaptable to changing market conditions and specific development and tenanting opportunities.

Summary of Findings

1. ***SunCal's Density Bonus Option pro forma relies upon consistently optimistic assumptions which likely overstate the Project's financial returns, and still produces only a marginally feasible development.*** The Developer's financial plan reflects a number of very optimistic assumptions regarding home prices, appreciation, market absorption, construction costs and other factors. Nevertheless, the pro forma produces a Project return of 20 percent, which is at the low end of the range for a feasible development as defined by SunCal, who is seeking returns of between 20 and 25 percent. If the Developer utilized more conservative assumptions, the Project would generate an unacceptable return for SunCal, which suggests that the Project might not go forward or that some of the financial and community benefits reflected in the pro forma might not be realized.

2. ***The Density Bonus Option at Alameda Point does not result in a feasible Project assuming more conservative market and development assumptions.*** EPS's analysis utilizes a conservative set of assumptions that EPS believes are appropriate for underwriting a Project with the market risks, complexity, and the long time horizon of the Project. The assumptions tested, which are described in the subsequent chapter, result in the Project IRR of negative 11.9 percent if all of the more conservative assumptions are realized, as shown in **Table 1**. Comparison of the differences between EPS and SunCal assumptions is summarized in **Table 2.**

3. ***EPS tested the impact of certain key SunCal assumptions.*** These assumptions include higher home values and lower construction costs for single-family attached and detached units as well as other residential unit types, and higher price premiums. Optimistic assumptions about these factors result in the IRR of 14.0 percent, still below the 20 to 25 percent range required to support the feasibility of the Project.

Table 1
Alameda Point Feasibility Summary
Alameda Point Redevelopment; EPS #14012

Item	Total (2010 - 2026) (nominal $$)	NPV at 20%
Revenues		
Residential Land Sales	$610,489,108	$106,734,080
Commercial Land Sales	$101,485,742	$20,158,722
Public Financing	$407,266,287	$59,275,145
Other Revenue	$72,467,489	$18,733,368
Total Revenues	$1,191,708,626	$204,901,315
Expenditures		
Land Acquisition	$150,272,033	$22,154,828
Public Facilities/Service Costs	$287,750,192	$60,300,828
Direct Infrastructure Costs	$583,028,610	$131,603,042
Indirect Infrastructure Costs	$344,225,895	$81,055,896
Total Costs	$1,365,276,729	$295,114,593
Net Profit	**($173,568,103)**	**($90,213,278)**
Internal Rate of Return (IRR)	**-11.9%**	

Source: Economic & Planning Systems, Inc.

2. LAND USE PROGRAM

Alameda Point Density Bonus Option reflects development of 4,845 residential units, 4.2 million square feet of commercial space, and 260,000 square feet of civic uses. In addition, a range of public facility improvements is also assumed, including a new sports complex, relocation of a ferry terminal, new park and bike trail space, new school and library facilities, fire station upgrades, transit/TDM improvements, and land dedication for a new corporate yard.

While a market study for the commercial program as part of the Density Bonus Option has not been conducted, it is worth noting that the commercial program in Alameda Point has been increased by SunCal from 3.0 million to 4.2 million square feet while timing has not been adjusted. This implies that commercial program absorption is 33 percent faster than SunCal's previous plans.

While EPS has adopted SunCal's annual commercial absorption projections for the purpose of this analysis, these assumptions are considered optimistic and should be studied in additional detail in the future. If the commercial program does not build out as projected, land revenues and public finance proceeds will be less than currently estimated.

3. BASELINE ANALYSIS AND MODIFIED ASSUMPTIONS

Baseline Analysis

EPS prepared a financial model for the Alameda Point Project that considers project costs and revenues annually over a 17-year period. The financial feasibility analysis evaluates the capital flow from the perspective of a master development entity that would prepare the site for new development, rehabilitate historic resources, and provide public amenities. Major revenues generated by these investments include land sales and public financing sources such as Mello-Roos Community Facilities District (CFD) bond proceeds and Tax Increment Financing (TIF). The cash flow analysis evaluates the internal rate of return (IRR) as the key feasibility measure. The returns are expressed as "unlevered," that is, before accounting for the effects of private financing.

EPS reviewed SunCal's Density Bonus Option Plan, 2008 financial analysis pro forma (prepared for NAVY discussions), and SunCal's Project pro forma tables provided to the City and EPS based on SunCal's revisions in its financial analysis associated with the Density Bonus Option proposed for Alameda Point. EPS's financial feasibility analysis simulates a "Baseline" picture of SunCal's financial analysis and is based on review of prior versions of SunCal's Project pro forma provided to EPS. It is worth noting that EPS's analysis and methodology differ from SunCal's and the EPS "Baseline" results will be similar but not identical to SunCal using similar assumptions.

EPS implemented a number of revisions to SunCal's Project pro forma structure and assumptions in order to adequately reflect necessary development, market, and economic risks. EPS's assumptions are based on meetings with SunCal and City staff, detailed review of SunCal's assumptions and their comparison to prior submittals, and EPS's independent market research, such as EPS's May 24, 2010 Final Report titled *Alameda Point Pro Forma Market Review*. A comparison of the differences between EPS and SunCal assumptions is organized into structural changes, horizontal revenues and costs, and vertical pro forma assumption changes, as described below. These changes are illustrated in **Tables 2** and **3.**

Modified Assumptions

Structural Changes

1. Established 2010 as the first year of the cash flow

SunCal structures its annual cash flow starting in 2007. Changing the first year to 2010 reflects the analysis time frame of the feasibility assessment today rather than in the past. This change results in improvement of the Project return.

Table 2
Comparison of Financial Analysis Differences
Alameda Point Market Study; EPS #14012

Item	Assumption	EPS Assumption*	SunCal Assumption
	Structural Changes		
1	Analysis Starting Year	2010	2007
	Horizontal Revenues		
2	Residential Absorption (market-rate, per year)	329 (1)	454
3	MARAD Inclusion	no	yes
4	Net Marina Proceeds	$1,920,000	$17,851,580
	Horizontal Costs		
5	Infrastructure Cost Escalation (above inflation)	0.5%	0.0%
6	Infrastructure Cost Contingency	25%	20%
7	Infrastructure Cost Timing (years)	13	10
8	Additional Infrastructure Costs (2)	$11,500,000	$0
	Vertical Pro Forma Revenues		
9	Home Value Real Appreciation (above inflation)	1.4%	2.0%
10	Single Family Home Values	*see Table 3*	
11	Residential Home Value Premiums	*see Table 3*	
	Vertical Pro Forma Costs		
12	Escalation in Vertical Direct Costs (above inflation)	0.4%	0.0%
13	Single-Family Home Size (sq.ft.)	1,500 - 1,900	1,200 - 1,400
14	Single-Family Direct Construction Cost	*see Table 3*	
15	Cost Contingency	5.0%	0.0%

*Assumes a conservative estimate for forecasting purposes.

(1) Based on an annual range of 150 to 200 single-family and 150 to 200 multi-family units.
(2) Based on the cost for cross-Alameda pathway, BRT, and corp yard with a contingency factor.

Sources: SunCal Financing Plan; Economic & Planning Systems, Inc.

Table 3
Comparison of Vertical Pro Forma Assumption Differences by Residential Density ($2014)
Alameda Point Market Study; EPS #14012

Assumption	EPS Assumption*	SunCal Assumption
Home Values (per unit)		
Single-Family Detached	$860,000	$1,042,000
Duplexes	$790,000	$868,000
Townhomes	$700,000	$695,000
Residential Home Value Premiums		
Single-Family Detached	1.0%	5.0%
Duplexes	1.0%	2.7%
Townhomes	1.0%	4.0%
Direct Construction Cost		
Single-Family Detached	$130	$115
Duplexes	$150	$126
Townhomes	$202	$137

Sources: SunCal Financing Plan; Economic & Planning Systems, Inc.

Horizontal (Land Developer) Revenues

The Developer's returns primarily accrue from the sale of improved land (referred to as "horizontal" development) to builders who will construct new buildings (also termed "vertical" development) and rehabilitate historic structures.

2. Revised residential absorption schedule

SunCal assumes market-rate residential absorption of 454 units a year. EPS adjusted SunCal's absorption rate to an average of about 330 market-rate units a year based on its recommendations in the *Alameda Point Pro Forma Market Review.* This change has an adverse impact on the Project return. The actual absorption schedule will vary by year and is dependent on the number of builders, product diversity, and regional housing and economic trends.

3. Excluded MARAD impact

SunCal's analysis reflects its retention of Maritime Administration (MARAD) subsequent to conveyance of Alameda Point, including its operating revenues, operating costs, and sale proceeds upon reversion. EPS's analysis assumes that MARAD would be retained by the City and would not be included in the Developer's returns. This assumption is based on the City's feedback and results in an adverse impact on the Project returns.

4. Revised marina-related impact

SunCal and EPS jointly conducted market research in January 2009 to estimate potential land value for the marina at Alameda Point based on projected operating revenues and costs. SunCal's Density Bonus Option Project pro forma has been changed to include a higher estimate for potential marina proceeds relative to what was estimated in 2009. EPS uses the joint 2009 approach in its analysis which results in adverse impact on the Project return. EPS assumes a total of 600 marina slips.

Horizontal (Land Developer) Costs

5. Revised escalation of infrastructure costs

SunCal assumes that horizontal costs will increase at the annual rate of inflation of 3.0 percent during Alameda Point development. EPS assumes horizontal cost escalation of 3.5 percent a year, 0.5 percent above inflation. This cost is based on the ENR historic data for infrastructure costs provided by the Public Works Department. This change results in adverse impact on the Project return. Historically, costs have escalated at a rate greater than inflation during periods of strong economic growth.

6. Increased infrastructure cost contingency

SunCal applies a 20 percent contingency to its public facilities and other direct horizontal costs. EPS increased the contingency factor to 25 percent given the preliminary planning-level cost estimates and risk. The 25 percent contingency is based on the experience and feedback provided by the City's Public Works Department and results in adverse impact on the Project return.

7. Adjusted timing of infrastructure costs

EPS deferred the timing for public facilities and other direct horizontal costs to reflect the changes made to the absorption schedule described in item 2. This change was implemented by deferring the timing for select public facilities and service costs by two years. For direct horizontal costs, the timing was formulaically deferred in proportion to the unit absorption. This change results in improvement of the Project return.

8. Added additional infrastructure cost items

EPS added the cost of $2.0 million for Cross-Alameda multi-use pathway, $5.0 million for Bus Rapid Transit, and $1.2 million for the corporate yard to the feasibility analysis. These costs add up to $11.5 million after contingency is applied. These infrastructure costs are added based on recommendations from the Public Works Department and result in adverse impact on the Project return.

Vertical Pro Forma Revenues

9. Revised real appreciation rate of finished residential values

SunCal assumes that market-rate residential values will increase by 5.0 percent a year or 2.0 percent above inflation. EPS makes a more conservative assumption of 4.4 percent or 1.4 percent growth above inflation. This assumption is based on the *Alameda Point Pro Forma Market Review* and results in adverse impact on the Project return. While appreciation will vary by year, it's likely to be less in the initial years because of significant construction activity, absence of completed public improvements, facilities, and other amenities which would not be completed until later years.

10. Revised base home prices for single-family detached and attached units

EPS's home price for single-family detached units is based on the analysis documented in *Alameda Point Pro Forma Market Review,* which is lower than SunCal's price of $1,041,000 by about 20 percent. EPS estimates that Bayport's Harbor community provides a direct comparable to potential single-family detached units planned at Alameda Point. Prices for unit types are generally consistent relative to single-family pricing after accounting for differences in product type. This assumption is shown in **Table 3** and results in adverse impact on the Project return.

11. Adjusted residential unit price premiums

SunCal assumes optimistic premiums for its single-family detached and attached residential home value projections as shown in **Table 3**. This adds an additional value as high as 11.5 percent to base single-family home prices. EPS reduced premium estimate for single-family detached and attached residential units to 1.0 percent based on *Alameda Point Pro Forma Market Review* which results in adverse impact on the Project return. Actual premiums will vary for specific buildings and location and would likely be higher for premium view units, while other units may have no premium. EPS generally concurred with the price premiums assumed for higher density, multifamily products because of increased view premiums of those unit types.

Vertical Pro Forma Costs

12. Revised escalation of vertical and in-tract costs

SunCal assumes that vertical and in-tract costs will increase at the annual rate of inflation of 3.0 percent during Alameda Pont development. EPS assumes vertical and in-tract cost escalation of 3.4 percent a year, 0.4 percent above inflation and 1.0 percent below home value appreciation. This cost is based on *Alameda Point Pro Forma Market Review* and results in adverse impact on the Project return. As noted above for infrastructure costs, costs have historically escalated at a rate greater than inflation during periods of strong economic growth.

13. Revised single-family attached unit sizes

SunCal assumes smaller unit sizes for duplex and townhome units relative to its prior 2008 Financial Plan estimates. While SunCal's prior 2008 unit sizes were used to estimate home values for duplex and townhome units, EPS analysis reflects SunCal's 2008 unit size assumptions. It is worth noting that SunCal did not provide any support for reducing its single-family attached unit sizes, which increase land values and inflate potential land revenues. EPS's change results in adverse impact on the Project return.

14. Revised direct construction costs for single-family detached and attached units

EPS increased direct construction costs for single-family detached units based on the findings in *Alameda Point Pro Forma Market Review.* It also increased direct construction costs for duplexes and townhome units consistent with the cost comparison between various residential densities. This assumption is shown in **Table 3** and results in adverse impact on the Project return. To the extent that the quality of construction is less, direct construction costs could be lower than assumed by EPS.

15. Replaced wrap insurance cost with a contingency factor

SunCal assumes wrap insurance cost of $10,000 for all units except single-family detached but does not factor any construction cost contingencies. EPS included a 7.0 percent contingency factor to all residential product types to reflect additional risk associated with escalation in vertical construction costs above projected levels. The contingency includes wrap insurance and does not have any significant impacts on the Project return.

4. PUBLIC FINANCE

Public financing mechanisms which are required to facilitate upfront investments needed to prepare the site for redevelopment are included in the analysis and shown in **Table 4**. Two key financing sources are described in this chapter.

Mello-Roos Community Facilities District

A Community Facilities District (CFD) may be used to establish a special tax on property within the district. The tax revenues can be used to secure CFD bonds for qualifying capital improvements, and can also be used to support ongoing maintenance and services. The special tax would be typically paid by owners of buildings on the site, although it can be structured to be paid initially by the site developer.

The financial feasibility analysis assumes that SunCal would be able to fully pass on the CFD payment to residential and commercial end-users with no discount applied to land values because of the payment obligation. This is an optimistic assumption as the burden on residential units (combined with regional transportation, fiscal mitigation, and taxes) exceeds 2.0 percent of home values. A burden of above 2.0 percent is likely to result in adverse effects on residential home values. Alternatively, less CFD could be issued.

The analysis utilizes the following steps to estimate financing from CFD financing:

- Estimate the overall development value.
- Base the CFD payment on a maximum of 0.65 percent of the overall development value.
- Limit the annual tax rate growth to 2.0 percent.
- Assume a 110 percent coverage factor.
- The bond issuance is assumed over a 30-year term with an interest rate of 6.5 percent and an issuance cost of 20 percent.

Assuming a tax of 0.65 percent of assessed value, about $195.4 million in CFD proceeds could be supported by the Project while new development is constructed.

Tax Increment Financing

Under California law a Redevelopment Agency (RDA) is empowered to issue debt secured by property tax increment revenue which can be used to assemble land, invest in infrastructure, and rehabilitate structures in order to encourage private investment. Tax increment revenues are generated by any increase in assessed value within a Redevelopment Area above the base value at the time the Area was established. State law requires that 20 percent of redevelopment revenues be placed in a housing set-aside fund to support the development and improvement of a community's affordable housing.

Table 4
Alameda Point Public Finance Assumptions
Alameda Point Redevelopment; EPS #14012

Item	Total (2010 - 2026) (nominal $$)	NPV at 20%
Public Finance		
Communities Facilities District Bond	$193,351,638	$30,413,318
CFD Debt Coverage	$2,035,876	$320,234
Net Tax Increment Bonds	$134,278,245	$18,725,512
RDA Affordable Housing Bond	$61,478,918	$8,274,389
Annual Housing Tax Increment	$16,121,610	$1,541,693
Public Finance Total	$407,266,287	$59,275,145

Source: Economic & Planning Systems, Inc.

The analysis utilizes the following steps to estimate potential proceeds from tax increment financing for both non-housing and affordable housing bonding capacity:

- Estimate the overall assessed value.
- Estimate the 1.0 percent tax increment based on redevelopment assessed value.
- Assume an administration fee of 1.0 percent.
- Assume a 1.35 coverage factor to reflect the Agency last bond requirement and an additional 0.10 factor for contingency for the State takeaway.
- The bond issuance is assumed over a 30-year term with an interest rate of 6.5 percent and an issuance cost of 20 percent.

These assumptions yield potential tax increment proceeds of about $211.9 million generated by net tax increment bonds, RDA affordable housing bonds, and annual housing tax increment. The amount of tax increment would vary based on the value created, the amount of development that occurs, and the timing of development; to the extent that market conditions are less favorable than anticipated, and/or development does not occur as expected, the amount of tax increment would be less and adversely affect the ability to fund public improvements.

5. SENSITIVITY ANALYSIS

EPS conducted several sensitivity tests which evaluate the impact on the financial feasibility results of assuming SunCal's assumptions about home values, premiums, unit sizes, and construction costs of residential uses. These assumptions are shown in **Table 3.** While EPS does not consider these assumptions sufficiently conservative, their impact on the Project feasibility is tested to illustrate their implications on the overall development returns.

The impact of changes to key assumptions is described below. If market conditions are more positive than expected and costs are lower, the Project could achieve an IRR of 14.0 percent.

Potential Changes to Key Assumptions

Based on SunCal's comments and support provided for their assumptions, EPS tested how changes to its assumptions would impact the feasibility results. The impacts of the sensitivities tested are shown in **Table 5**.

Base home prices for single-family detached and attached units

Adopting SunCal's single-family home prices significantly increases land values for single-family detached, single-family attached, and townhome units. While EPS uses a conservative set of assumptions for home values, the values could vary significantly on types of builders, quality of homes, and numerous other factors. SunCal's home value assumptions improve the Project IRR by over 10 percent.

Residential unit price premiums

Including SunCal's premium assumptions further increases home values which improves the overall development returns. SunCal's premium assumptions improve the Project IRR by about 3 percent. Actual premiums will vary for specific buildings and location and would likely be higher for premium view units, while other units may have no premium.

Direct construction costs for single-family detached and attached units

Using SunCal's direct construction costs for single-family detached, duplexes and townhome units improves land values for these residential uses and results in improvement on the Project return. Specifically, this change results in the IRR increase of about 8 percent. To the extent that the quality of construction is less, direct construction costs could be lower than assumed by EPS.

Table 5
Sensitivity Analysis Summary
Alameda Point Market Study; EPS #14012

Assumption	IRR
EPS Base Case Return	-11.9%
Sensitivities of SunCal Assumptions (1)	
Residential Home Values	+10.3%
Residential Home Value Premiums	+3.1%
Residential Direct Construction Cost	+8.1%
Return With Cumulative Impact (2)	14.0%

(1) Based on SunCal's assumptions outlined in Table 3.
(2) Impact of the assumptions outlined above on the EPS feasibility analysis; impacts from individual changes do not exactly add up to the cumulative impact due to compounding effects.

Sources: SunCal Financing Plan; Economic & Planning Systems, Inc.

CITY OF ALAMEDA
Memorandum

To: Ann Marie Gallant
Interim City Manager

From: Matt T. Naclerio
Public Works Director

Date: June 28, 2010

Re: Update of Traffic Capacity Management Procedure

BACKGROUND

On June 19, 2001, the City Council adopted a resolution approving the Traffic Capacity Management Procedure (TCMP). Established pursuant to mitigation measures contained in the Environmental Impact Report (EIR) for the Catellus project, the TCMP estimates the remaining traffic capacity in the Webster and Posey Tubes. Its purpose is to identify a project's impact to the remaining capacity of the Tubes prior to the City Council's approval of the project and to determine appropriate mitigations to reduce a project's peak hour trips.

The TCMP is applicable to any proposed development west of Grand Street that generates new peak hour trips through the Tubes in excess of one percent of the current estimated reserve capacity. The TCMP requires a developer to identify the number of peak hour trips projected to use the Tubes and propose feasible mitigation measures to reduce the peak hour trips by at least ten percent for residential development and 30% for non-residential development. The Planning Board may reduce these requirements.

Implementing Policy 4.1.2.d of the General Plan requires that the TCMP be updated at least every two years to include the latest Webster and Posey Tubes traffic volumes and trip generation totals for developments approved but not yet occupied. The TCMP was last updated in 2008. Exhibit 1 provides the required updated capacity of the Tubes and includes traffic projections for the Alameda Landing project. In addition, the projected trip generation totals for the unoccupied units at the Summer Homes development on Buena Vista Avenue and Poggi Street, and the vacant units at the North Housing located near Main Street have been included in the determination of remaining capacity. Existing Alameda Point and the Fleet and Industrial Supply Center (FISC) land uses are accounted in the existing daily volume counts shown in Exhibit 1. Furthermore, no reductions have been taken for projects that are required to provide Transportation Demand Management programs as mitigation for project related traffic impacts. This approach provides a conservative estimate for determining the remaining capacity of the Tubes.

CC/ARRA/CIC
Exhibit 7 to
Agenda Item #3-B
07-07-10

DISCUSSION

Two-week traffic counts of the Webster and Posey Tubes were collected from October 18, 2009 to October 31, 2009. As indicated in Exhibit 2, when compared to last year's traffic volumes, the Posey Tube shows an average decrease of approximately five percent during the morning peak hour and a two percent decrease during the afternoon peak hour. The Webster Tube shows a five percent decrease during the morning peak hour and a six percent decrease during the afternoon peak hour. This decrease can be attributed to lower traffic volumes associated with the overall economic downturn and the shift of traffic due to the construction on Webster Street and Wilver "Willie" Stargell Avenue.

Based on the remaining capacity determined in Exhibit 1, Public Works staff has calculated the hypothetical maximum development that could be accommodated for different types of development for both current conditions and 2030. The 2030 projection assumes a one-half percent background growth per year. The development estimates are determined by taking the remaining capacity and dividing by the trip generation rate for each development type. The difference in development potential as detailed in the last report is shown in parentheses below.

Estimated Maximum Development Per Land Use Type Based on Remaining Capacity

1.92 Million Square Feet (MSF) of Manufacturing Use; (0.29 MSF); **or**
4.18 MSF of Warehouse Use; (0.61MSF); **or**
1.94 MSF of Light Industrial Use; (0.12 MSF); **or**
1.35 MSF of Office Use; (0.08 MSF); **or**
0.29 MSF of Shopping Center Use; (0.04 MSF); **or**
0.46 MSF of Specialty Retail; (0.07 MSF); **or**
791 Single Family Residential Detached Units; (116 DU); **or**
1,233 Residential Attached (Duplex) Units or Town homes (183 DU)

Estimated Maximum Development Per Land Use Based on Projected 2030 Capacity

Due to a projection of no reserve capacity in 2030 for the inbound (southbound) direction of the Webster Tube, no future land uses can be projected using Institute of Traffic Engineers (ITE) Trip Generation Manual. Assuming a nominal reserve capacity of 10 trips for this approach, the following uses could be expected:

55 KSF of Manufacturing Use; (0 MSF); **or**
120 KSF of Warehouse Use; (0 MSF); **or**
130 KSF of Light Industrial Use; (0 MSF); **or**
60 KSF of Office Use; (0 MSF); **or**
8.5 KSF of Shopping Center Use; (0 MSF); **or**
14 KSF of Specialty Retail; (0 MSF); **or**
22 Single Family Residential Detached Units; (-2 DU); **or**
35 Residential Attached (Duplex) Units or Town homes (0 DU)

FINANCIAL IMPACT

There is no financial impact to the General Fund anticipated from continuing implementation of the TCMP.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

The TCMP is consistent with implementing Policy 4.1.2.d of the General Plan.

RECOMMENDATION

This report is for informational purposes only.

OK:VP:gc

Exhibit(s):
1. TCMP Remaining Traffic Capacity
2. Webster and Posey Tubes Traffic Volume

cc: Mayor and City Councilmembers
Deputy City Manager Ott
Supervising Civil Engineer

EXHIBIT 1

TCMP

Interim Traffic Policy for the Alameda Tubes

(As of Oct, 2009)

	Webster Tube (Inbound or SB)	Posey Tube (Outbound or NB)
Capacity [1]	3,976	4,007
PM Peak Hour		
Existing Volume + Vacant Uses [2]	3,131	2,170
Approved Projects Volume	480	654
Subtotal	3,611	2,824
Remaining Capacity	364	1,183
2030 Capacity (after Background Growth)[3]	(16)	919
1% of Remaining Capacity (Excluding Background Growth)	4	12
AM Peak Hour		
Existing Volume + Vacant Uses [2]	1,958	2,925
Approved Projects Volume	484	253
Subtotal	2,442	3,177
Remaining Capacity	1,533	829
2030 Capacity (after Background Growth)[3]	1,295	474
1% of Remaining Capacity (Excluding Background Growth)	15	8

[1] Assumes a 55MPH Free Flow Speed & Actual Peak Hour Factor Observed (0.93)

[2] Use the Mean Value of Readings during 2 Consecutive Work weeks (Tue-Thu) plus vacant uses. 2008 traffic data used for existing due to lower volumes in 2009.

[3] Assumes 0.5% growth per year

EXHIBIT 2

Posey/Webster Tubes
Historical Traffic Volume Data

		Posey Tube (NB)			Webster Tube (SB)			Total ADT[1]
YEAR	Month	ADT	AM Peak Hour	PM Peak Hour	ADT	AM Peak Hour	PM Peak Hour	
1993	July	42,800	3,392	3,339	31,608	2,299	2,587	74,408
1994	July	33,988	2,615	2,875	38,151	2,735	3,656	72,139
1995	July	35,972	2,893	2,768	44,004	2,870	3,826	79,976
1996	Sept	30,567	2,543	2,234	28,201	2,017	2,732	58,768
1997	Oct	27,704	2,606	2,114	27,795	1,985	2,777	55,499
1998	Sept	30,618	2,895	2,266	30,276	2,153	3,278	60,894
1999	April	31,397	2,994	2,325	33,627	2,189	3,414	65,024
2000	Oct	28,001	2,788	2,369	26,722	2,204	2,980	54,723
2001	Nov	24,877	2,471	2,129	23,868	2,186	3,067	48,745
2002	Oct	23,665	2,303	1,962	26,893	1,979	2,869	50,558
2003	Sept	28,268	2,788	2,228	26,943	1,992	2,918	55,211
2004	Nov	28,775	2,877	2,289	27,527	1,905	3,008	56,302
2005	Nov	28,545	2,693	2,197	29,259	1,913	3,032	57,804
2006	Oct	29,859	3,038	2,225	29,128	1,935	2,985	58,987
2007	Oct	29,504	2,769	2,185	29,321	1,877	3,064	58,825
2008	Oct	29,203	2,863	2,137	29,033	1,940	3,058	58,236
2009	Oct	28,648	2,732	2,103	28,064	1,838	2,873	56,712

1. Average Daily Traffic - Total Volume for 24-hour period, reported in vehicles per day

Note: This information is based on raw data and has not been validated and may not be fully accurate because (1) The data was not collected at the same time each year and traffic fluctuates seasonally (2) During some years data was collected for only one